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## **ABBREVIATIONS & ACRONYMS**

AFS	Annual Financial Statements
AMC	Asset Management Committee
BSC	Budget Steering Committee
BTO	Budget & Treasury Office (Finance Department)
CFO	Chief Financial Officer
DORA	Division of Revenue Act
DORB	Division of Revenue Bill
COGTA	Co-operative Governance & Traditional Affairs
EXCO	Executive Committee
FMG	Financial Management Grant
GAMAP	Generally Accepted Municipal Accounting Practice
GDP	Gross Domestic Product
GRAP	Generally Recognised Accounting Practice
HIV/AIDS	Human Immunodeficiency Virus / Acquired Immune Deficiency Syndrome
IBTs	Inclining Block Tariff Structures
IDP	Integrated Development Plan
IT	Information Technology
KDM	KwaDukuza Municipality
kWh	Kilo Watt Hours
MANCO	Management Committee
MFMA	Municipal Finance Management Act 2003 (Act No. 56 of 2003)
MIG	Municipal Infrastructure Grant
MM	Municipal Manager (Accounting Officer)
MPCCs	Multi-Purpose Community Centres
MPRA	Municipal Property Rates Act 2004 (Act No. 6 of 2004)
MSA	Municipal Systems Act 2000 (Act No. 32 of 2000)
MSIG	Municipal Systems Improvement Grant
MTREF	Medium Term Revenue & Expenditure Forecast
MV	Market Value
NDPG	Neighbourhood Development Partnership Grant
NERSA	National Energy Regulator of South Africa
NT	National Treasury
PPP	Public-Private Partnerships
PSI	Public Service Infrastructure
PT	Provincial Treasury
SALGA	South African Local Government Association
SDBIP	Service Delivery & Budget Implementation Plan
VAT	Value-Added Tax



## ANNEXURE A

### MAYOR'S REPORT ( to be tabled at Council)



## ANNEXURE B

# BUDGET RESOLUTIONS

## **RESOLUTIONS**

The following resolutions approving the 2012/2013 – 2014/2015 MTREF are submitted to Council for consideration and adjusted where necessary:

### **1. ESTIMATES OF INCOME & EXPENDITURE**

**THAT** in terms of Section 16(1) and (2) of the Municipal Finance Management Act, 56 of 2003, the Annual Budget of the Municipality for the Financial year 2012/2013; and indicative allocations for the two projected outer years 2013/2014 and 2014/2015; and the multi – year and single year capital appropriations are approved as set-out in **Annexures D, N1 and P** attached hereto.

### **2. DETERMINATION OF RATES**

In terms of the Rates Policy 2012/2013 (refer to **Annexure H1**), the Municipality may levy different rates for different categories of properties. The rating structure for 2012/2013 financial year is proposed as follows:

- 0.538 cents in the Rand on the market value in respect of residential properties (including bed and breakfast establishments consisting of three bedrooms or less), and property categories not stated hereunder.
- 0.591 cents in the Rand on the market value in respect of residential properties used for commercial purposes (including bed and breakfast establishments comprising more than 3 bedrooms, apartment and villa establishments, and guesthouses of up to six rooms).
- 0.134 cents in the Rand on the market value in respect of agricultural properties.
- 1.666 cents in the Rand on the market value in respect of industrial, business and commercial properties, vacant properties, public benefit organisations and properties used for worship.
- 0.833 cents in the Rand on the market value in respect of state owned properties as listed in the draft rates policy.
- 1.500 cents in the Rand on the market value in respect of guesthouses of more than 6 rooms
- 0.134 cents in the Rand on the market value in respect of public service infrastructure properties.
- The first R100 000 of all residential properties and sectional title units used for residential purposes (excluding non-dwelling units) be exempt from the calculation of rates.
- The first 30% of all PSI properties be exempt from the calculation of rates.

It is noted that the second general valuation roll, presented in terms of section 32 of the Local Government Municipal Property Rates Act No 6 of 2004, was implemented with effect from 01 July 2011, and property rates were accordingly reviewed for all categories of properties.

### **3. EXEMPTIONS, REBATES AND REDUCTIONS**

That in terms of qualifying criteria set out in the draft rates policy of the Council, the 2012/2013 rates be subject to the following exemptions, rebates and reductions:

- Pensioners and Disability Grantees rebates:

Applicants under the age of 65 years - 25%  
Applicants between 65 and 75 years - 30%  
Applicants older than 75 years - 35%

- Agricultural properties: 50%
- Rebate: child headed households: 100%
- Excluded Services Rebate: 15%
- Places of worship: 100%
- Public benefit organizations: 100%
- Land reform beneficiaries: 100%
- State land: 100%
- Developers incentives (residential and commercial):

100% rebate	-	Year 1
100% rebate	-	Year 2
90% rebate	-	Year 3
80% rebate	-	Year 4
70% rebate	-	Year 5
60% rebate	-	Year 6
50% rebate	-	Year 7
No Incentive	-	From year 8 onwards

### **4. DATE OF OPERATION OF DETERMINATION OF RATES**

That this determination comes into operation on 01 July 2012.

### **5. FINAL DATE FOR PAYMENT OF RATES:**

- That the final date for payment of annual rates be fixed at 28 September 2012. Interest and administration charges will be raised in terms of Council's Credit Control Policy and Tariff of Charges.
- That rates may be paid in 11 (eleven) equal instalments with the first instalment payable on or before the last municipal working day of August 2012. Thereafter each monthly instalment must be paid on or before the last working day of each month and provided that interest will accrue at 15.5% per annum in terms of Council's Credit Control Policy and Tariff of Charges if an instalment is not paid by the last working day of the month. Any capital rates outstanding as at 30 June 2013 will be subject to an administration charge of 10% as stipulated in Council's Credit Control Policy.
- Council will by special arrangement with individual property owners agree that rates be paid annually. Application to pay rates on an annual basis must be completed by 15 July 2012.

## **6. TARIFF OF CHARGES**

- That the Council approve and adopt the amendments to its Tariff of Charges (noting that the electricity tariffs are pending approval by NERSA) as depicted on the schedules annexed hereto, and that these tariffs come into operation on 1 July 2012.
- That Council note that all tariffs listed in the Tariff of Charges will be subject to the payment of value added tax, except for fines, refundable deposits, and interest charges, and where specifically indicated as inclusive of value added tax.

### **PROPOSED TARIFF STRUCTURE**

It is proposed that Council's tariff of charges be increased as follows and be advertised to the general public for implementation with effect from 1 July 2012:

- Refuse Removal charges - various as per tariff of charge with a maximum of 10%
- Electricity charges - various as per tariff of charge
- Miscellaneous tariffs - various (see tariff of charges document)

## **7. BUDGET RELATED POLICIES**

**THAT** Council notes, and approves for implementation with effect from 01 July 2012, the following Budget Related Policies as contained in **Annexure H** attached hereto:

- Rates Policy
- Credit Control & Debt Collection Policy
- Indigent Policy
- Tariff Policy

- Investment & Cash Management Policy
- Borrowing Framework Policy and Guidelines
- Supply Chain Management Policy
- Virement Policy
- Budget Policy
- Funding and Reserves Policy
- Assets Management Policy
- Long Term Financial Planning Policy
- Infrastructure, Investments & Capital Projects

#### **8. MEASURABLE PERFORMANCE INDICATORS FOR REVENUE**

**THAT** the following measurable performance indicators for revenue collections be set:

- Electricity income ..... a collection rate in excess of 90%
- Property rates income .....a collection rate in excess of 90%
- Refuse income .....a collection rate in excess of 75%

**9. THAT** it be noted that property rates are deemed zero rated in the treatment of Value Added Tax (VAT).

**10. THAT** it be noted that in respect of Capital Expenditure Estimates:

- In those instances where information has been provided in terms of Section 19(2) (b) of the Municipal Finance Management Act No. 56 of 2003, the approval of the capital budget constitutes project approval for the specific projects as reflected in the detailed capital budget.
- Where information in terms of Section 19(2) (b) is not provided, specific project approval is to be sought from Council during the course of the year.

**11. THAT** in compliance with relevant sections of the Municipal Finance Management Act, the Local Government Transitional Act, the Local Authorities Ordinance, and the Municipal Systems Act, the budgets, rate and tariff



determinations be published in the local press, it being noted that Council's department of communications will attend to these aspects.

12. **THAT** Council note the Service Delivery and Budget Implementation Plan (SDBIP), marked as **Annexure N2**.
13. THAT Council notes the significant uncertainties as outlined in this report which may have an impact on the 2012/2013 MTREF.



## ANNEXURE C

## EXECUTIVE SUMMARY

# **EXECUTIVE SUMMARY**

## **BACKGROUND**

The Draft MTREF outlines KDM's revenue and expenditure plans for the next 3 years. It especially explains how funds will be spent in order to deliver sustainable services to the community. The Draft MTREF is therefore designed to provide a general overview of KDM's finances and demonstrate its responsibility for the monies it receives.

The goal of the Draft MTREF is to build a better life for all the people within KDM's jurisdiction. It takes into account the long-term financial planning strategy of KDM and is in line with its process of continuous improvement.

The entire budget process is directed by Section 21 of the MFMA. The Mayor is responsible for co-ordinating the preparation of the draft MTREF and the review of the IDP and budget-related policies. The MM, the CFO, the BSC and the BTO assist the Mayor in developing and implementing the budget process. KDM has no municipal entities.

- **KDM's MTREF complies with all legal requirements:**

1. The Constitution 1996 (Act No. 108 of 1996)
2. The Local Government: Transition Act 1993 (Act No. 209 of 1993)
3. The MSA
4. The MFMA
5. The Municipal Structures Act 1998 (Act No. 117 of 1998)
6. Municipal Budget & Reporting Regulations issued by NT
7. MFMA Circulars published by NT
8. Division of Revenue Act

- **The Draft MTREF is influenced by the following elements:**

1. Producing a balanced and credible budget
2. Delivering quality services on the ground
3. Cost increases
4. Tariff increases
5. Debt recovery
6. Asset management
7. Borrowing levels

## **CHALLENGES**

Tough decisions are necessary to ensure that KDM successfully delivers on its programmes.

- **The current challenges faced when developing the Draft MTREF include:**

1. Urgent repairs and maintenance
2. High service demands
3. Strict budgetary controls
4. Staff shortages
5. High levels of poverty and unemployment
6. Capital spending pressures to eradicate infrastructure backlogs

- **As a result of constraints on revenue, priority was given to:**

1. Protecting the poor from the worst impacts of the economic downturn
2. Expediting spending on capital projects that are funded by conditional grants
3. Supporting meaningful LED initiatives, especially those that encourage job creation
4. Urgent repairs and maintenance necessary for KDM's revenue-generating assets

### **MTREF HIGHLIGHTS**

The MTREF 2012/2013 – 2014/2015 is covered comprehensively in Tables A1 to A10 and Supporting Tables SA1 to SA37.

- **The Budget Year 2012/2013**

	<b>2012/2013</b>	<b>2011/2012</b>	<b>% Increase</b>
Operating Expenditure	R 922 808 609	R 813 163 862	13.48%
Capital Expenditure	R 404 684 760	R 390 852 537	3.54%
	<b>R1 327 493 369</b>	<b>R1 204 016 399</b>	<b>10.26%</b>

1. The Total Budget amounts to R 1,327 billion
2. A total of R 37 million has been earmarked for EDP, of which
  - R29,8m for Housing Projects
  - R 4,5 million has been budgeted for Rehabilitation of KwaDukuza Museum and
  - R1,4 million for LED projects
3. An amount of R 1,5 million is budgeted for the Refuse Removal services.
4. R 20 million for the NDPG Programme in the Municipal Managers Office.
5. The amount set aside to upgrade cemeteries amounts to R 1,1 million
6. R 2,2 million has been reserved for the Testing Station.

]

7. Other key items of the Municipal Services Capital Budget include:

DEPARTMENT	BUDGET
Protection & Crime	R 1,735 million
Parks & Gardens	R 0,893 million
Fire & Emergency	R 0,4 million

8. The Civil Engineering budget of R 165,2 million will fund the improvement of

- MIG Sportsfields
- Community halls
- Bus Bays & Taxi Ranks
- Roads and Storm water Infrastructures
- Sports facilities

9. The Electrical Services Department will receive R 169,3 million

10. The Operating Budget reflects an overall surplus on operations of R 24 475.

### **Asset Management**

The MFMA Local Government Capital Asset Management Guideline 2008 calls for the establishment of an AMC. The AMC specifies asset management project outcomes; set asset management timetables and approve all asset management progress reports. The AMC held meetings during the current financial year. KDM recently undertook an extensive asset verification process. It must also be noted that, in accordance with the relevant regulations, the Fixed Asset Management Policy of KDM is reviewed annually.

### **Provision of Free Basic Services**

The indigent registration campaign is currently underway. At present, all indigent customers qualify for free basic electricity (set at a prescribed number of kWh). Indigent Support is financed from the Equitable Share grant funding. KDM has an Indigent Policy in place, which also states that all indigent customers are required to register each year for free basic services. Application forms are available at KDM Offices.

### **Capital Expenditure over the MTREF**

The Capital Budget focuses on the IDP objectives and KDM's infrastructure needs. Due to limited resources, KDM has to prioritise its spending.

Capital Expenditure amounts to:

2012/2013	2013/2014	2014/2015
R 404 684 760	R 185 569 719	R 236 990 444

The Capital Budget comprises of:

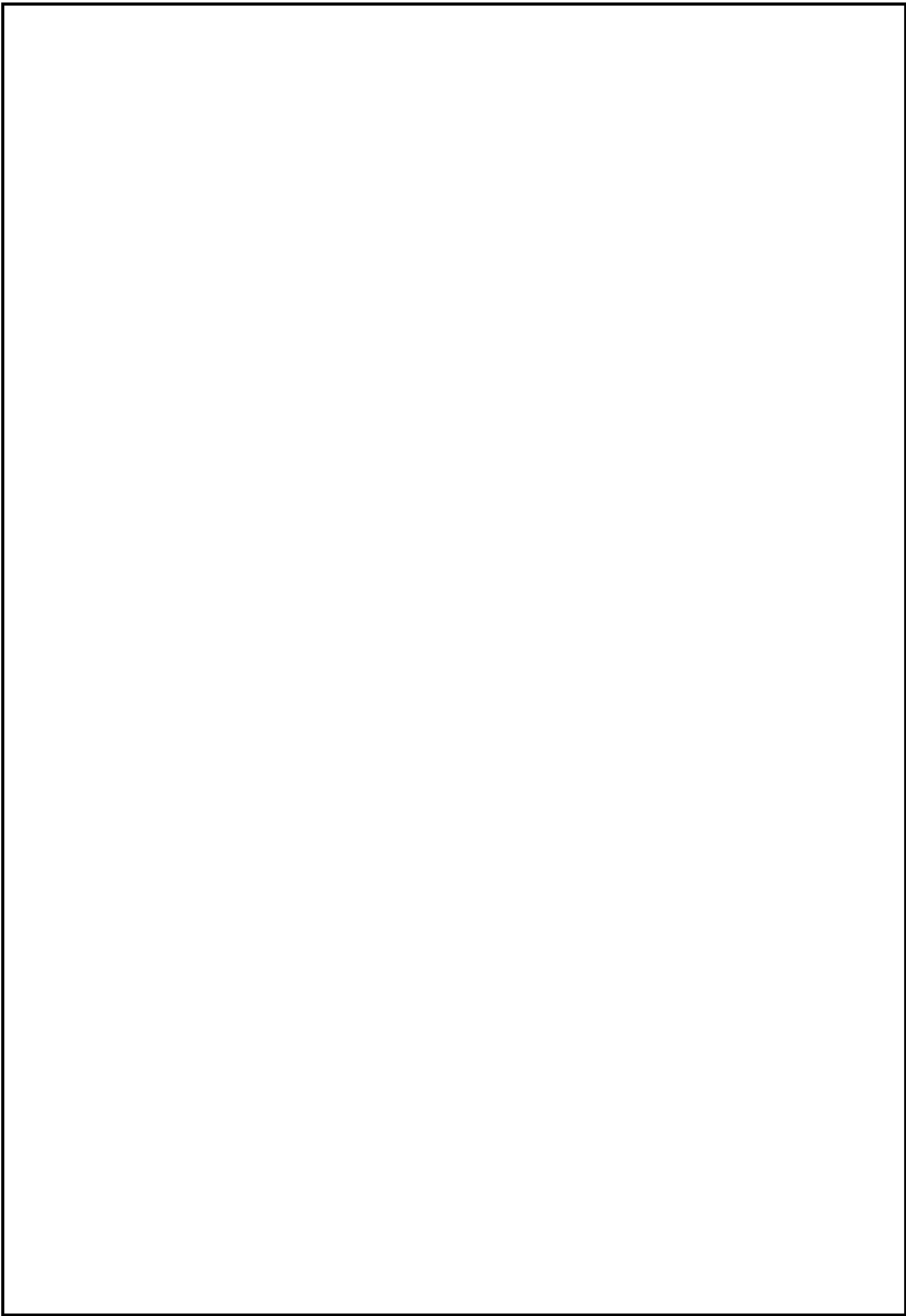
	2012/2013		2013/2014		2014/2015	
	R	%	R	%	R	%
Executive and Council	20 906 000	5.15%	0	0%	7 092 000	2.99%
Budget and Treasury Office	187 947	0.05%	229 385	0.12%	0	0%
Corporate Services	4 950 000	1.22%	700 000	0.38%	600 000	0.25%
Community & Social Services	11 564 370	2.85%	4 773 000	2.57%	2 673 000	1.13%
Sport and Recreation	8 526 519	2.10%	2 500 000	1.35%	1 500 000	0.63%
Public Safety	4 761 173	1.17%	6 200 000	3.34%	4 870 000	2.05%
Planning & Development	230 000	0.06%	6 030 000	3.25%	1 000 000	0.42%
Housing	29 840 000	7.35%	30 000 000	16.17%	30 000 000	12.66%
Road Transport	152 588 865	37.7%	103 251 407	55.64%	91 205 110	38.48%
<b>Trading Services:</b>						
Electricity	169 629 886	41.9%	29 335 927	15.81%	97 250 334	41.04%
Waste Management	1 500 000	0.37%	2 550 000	1.37%	800 000	0.34%
	<b>R 404 684 760</b>		<b>R185 569 719</b>		<b>R 236 990 444</b>	

### How the Capital Budget is Financed

The projected financing sources of the Capital Budget for the period of the draft MTREF consist of:

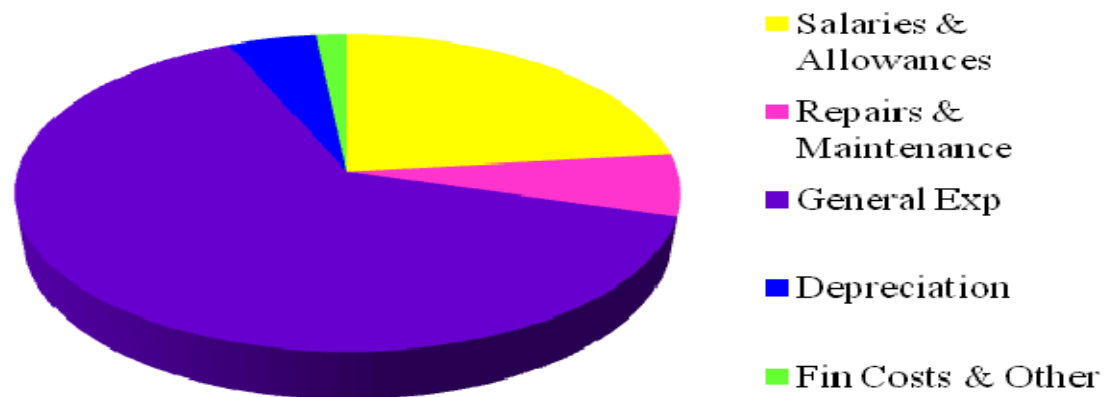
	2012/2013		2013/2014		2014/2015	
	R	%	R	%	R	%
<b>Internal</b>	135 897 046	34%	84 873 191	46%	92 119 003	39%
<b>External</b>						
Grants	93 624 000	23%	73 078 000	39%	76 284 000	32%
Loans	175 163 714	43%	27 618 528	15%	68 587 442	29%

Total planned Capital Expenditure over the MTREF amounts to R 827 244 923.

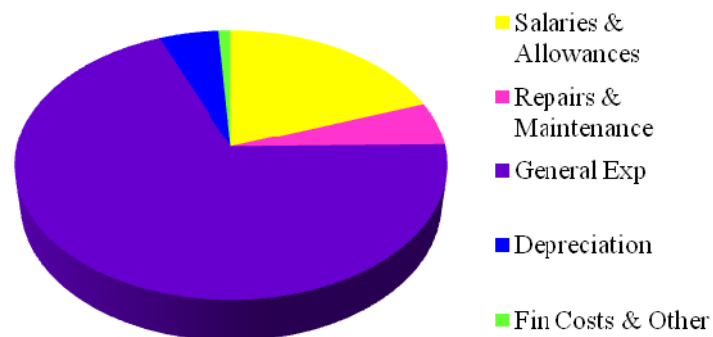


## Summary of the Operating Budget over the MTREF

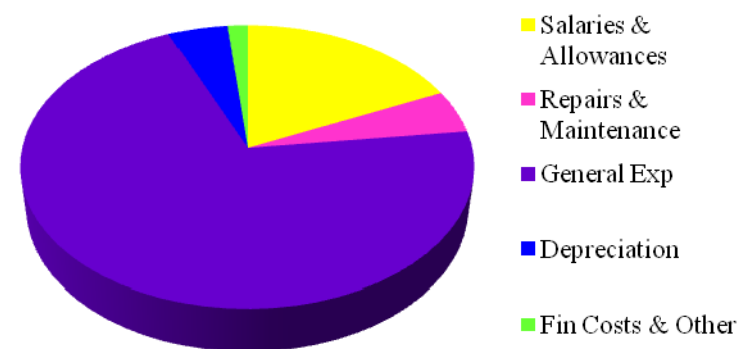
### Total Expenditure - 2011/2012



### Total Expenditure - 2012/2013

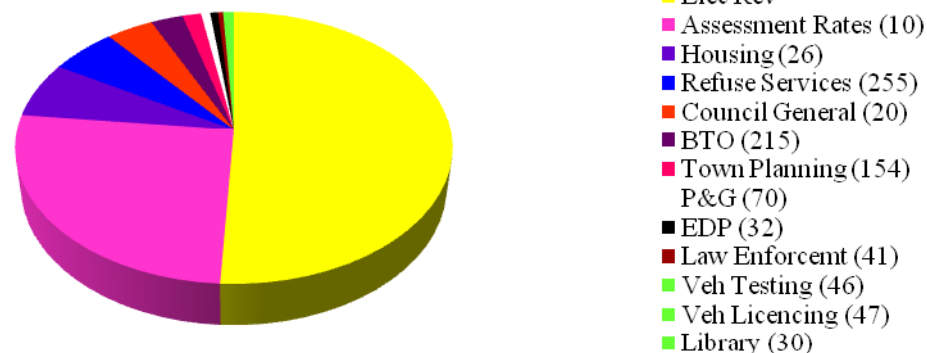


### Total Expenditure - 2013/2014

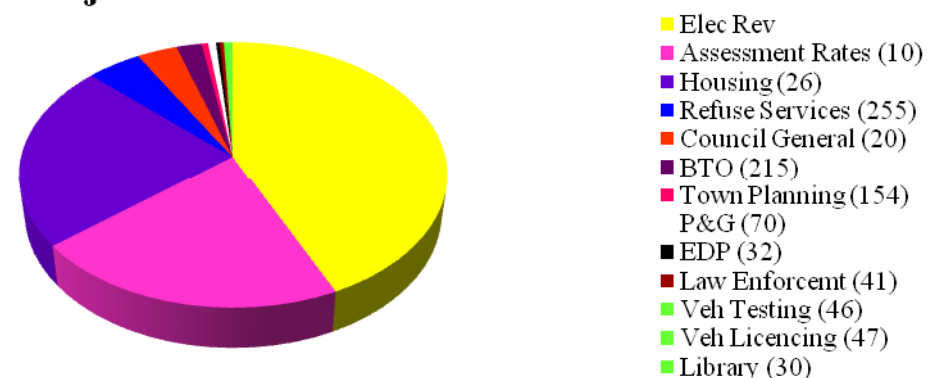




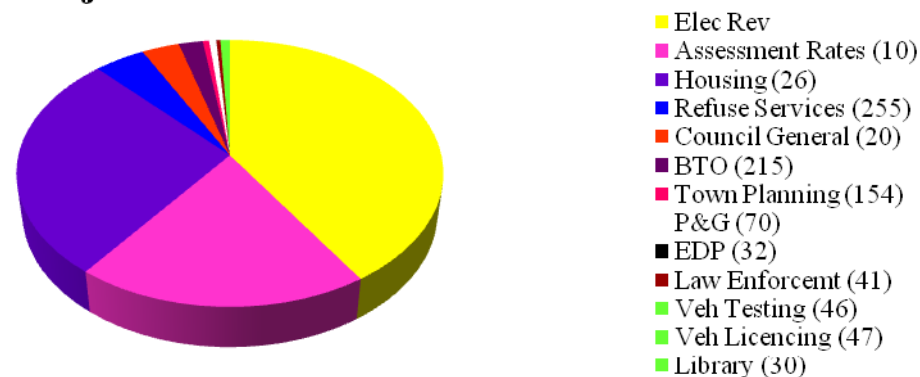
## Major Revenue Sources - 2011/2012



## Major Revenue Sources - 2012/2013



## Major Revenue Sources - 2013/2014



## **KEY ASSUMPTIONS**

- ***DoRA (DoRB)***

All National and Provincial Grant allocations have been taken into account.

- ***Inflation***

The inflation rate used for calculating salary/ wage increases for all employees, excluding Section 57 employees, is as per the SALGA Salary & Wage Collective Agreement 2010/2011 to 2012/2013. The outer years have been budgeted at 6% escalation.

For specific budget assumptions used in the MTREF, please refer to the related Annexure.

## **PAST PERFORMANCE HIGHLIGHTS**

KDM received an unqualified audit report on the 2010/2011 AFS.

## **ALIGNMENT WITH GOVERNMENT PRIORITIES**

The following priorities have been incorporated into the Draft MTREF 2012/2013 to 2014/2015:

- ***National Priorities***

**The President's 2012 State of the Nation Address indicated that local government has an obligation to:**

1. Creating Decent Work Opportunities
2. Education
3. Fighting Crime
4. Health
5. Rural Development & Land Reform

**The National Budget Review 2012 state that local government must:**

1. Enforce financial discipline; on-budget spending and sound cash management
2. Ensure enhanced service delivery and communities receive value for money
3. Improve support and reporting
4. Provide decent and sustainable jobs (especially in Health and Education)
5. Ensure further economic growth
6. Develop infrastructure

- ***Provincial Priorities***

**The Draft MTREF and IDP are aligned with the KZN Provincial Growth & Development Strategy. This strategy involves:**

1. Strengthening and building government to facilitate sustainable development, public participation in decision-making, implement performance-driven transformation and co-operative governance
2. Improve and expand basic service delivery for a better quality of life for all
3. Implement economic programmes to raise investments, increase exports and capitalise on provincial resources, strengths and synergies
4. Create programmes to increase employment opportunities, access to finance, human capacity and skills development, that also addresses the challenges of the second economy
5. Reduce poverty and increase vulnerable groups' access to social security nets and services
6. Comprehensively address the spread of HIV/AIDS pandemic and the associated economic and social impacts
7. To manage, preserve and enhance the natural environment and comprehensively address an environmental management system for sustainable development.

- ***District Priorities***

**The Draft MTREF and IDP have taken the strategic goals of the iLembe IDP into consideration, which include:**

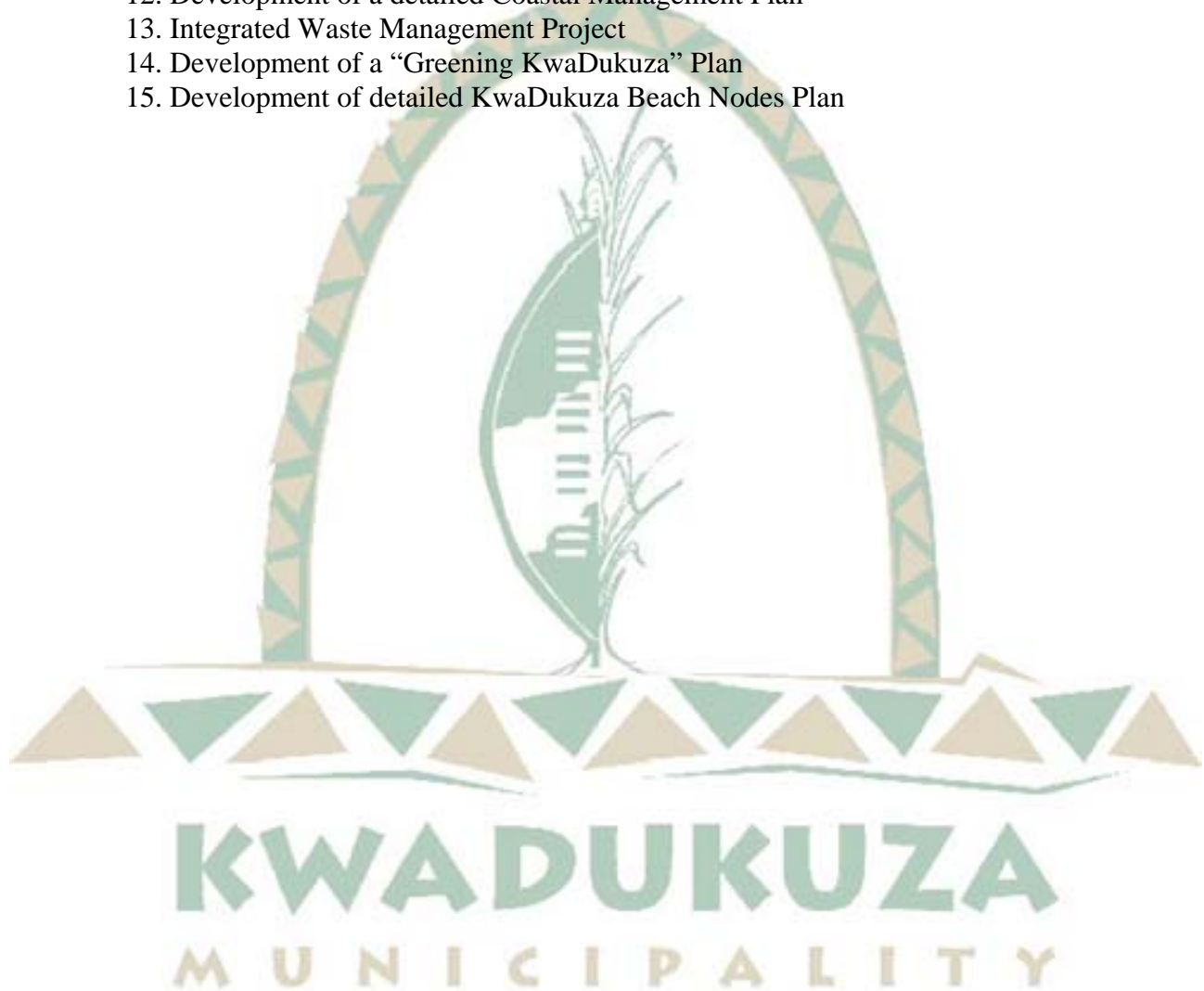
1. Promoting investment and development
2. Introducing incentives that attract development initiatives
3. Establishing and promoting PPPs
4. Preserving and protecting the natural environment
5. Promoting cultural, community-based tourism and integrated tourism development
6. Establishing co-operatives that maximise economic opportunities in the agricultural sector

- ***IDP Priorities***

**The key IDP projects for the next 5 years are:**

1. Building the Civic Complex
2. Revitalisation of the KwaDukuza CBD
3. Planning & Development for Light Industry Development in the remainder of Charlottdale
4. Implementation of the Land Use Management Systems (LUMS)
5. Development of the Shakaskraal Node Urban & Development Design Framework
6. Development of the KwaDukuza Social & Community Facility Study
7. Geographical Information Systems (GIS) Implementation (Phase 2)
8. Development of the Darnall Node Precinct Plan
9. Development of the Ballito CBD Urban Design Framework

10. Development of the Grouville Node Precinct Plan
11. Development of the uMhlali Urban Design & Development Framework Plan
12. Development of a detailed Coastal Management Plan
13. Integrated Waste Management Project
14. Development of a “Greening KwaDukuza” Plan
15. Development of detailed KwaDukuza Beach Nodes Plan





## ANNEXURE D

## ANNUAL BUDGET TABLES



# **ANNUAL BUDGET TABLES**

## **Changes in the Basis of Measurement**

There were no changes made to the basis of measurement used by KDM in determining the current budget.

## **Changes in Accounting Policies**

There were no changes made to the accounting policies implemented by KDM in determining the current budget.

## **Table Reference**

- Table A1 (Budget Summary)
- Table A2 (Budgeted Financial Performance – Revenue & Expenditure by Standard Classification)
- Table A3 (Budgeted Financial Performance – Revenue & Expenditure by Municipal Vote)
- Table A4 (Budgeted Financial Performance – Revenue & Expenditure)
- Table A5 (Budgeted Capital Expenditure by Vote; Standard Classification & Funding Source)
- Table A6 (Budgeted Financial Position)
- Table A7 (Budgeted Cash Flows)
- Table A8 (Cash-backed Reserves / Accumulated Surplus Reconciliation)
- Table A9 (Asset Management)
- Table A10 (Basic Service Delivery Measurement)

## **Supporting Documentation**

- Table SA1 (Supporting Detail to Budgeted Financial Performance)
- Table SA2 (Matrix Financial Performance Budget)
- Table SA3 (Supporting Detail to Budgeted Financial Position)
- Table SA4 (Reconciliation of the IDP; Strategic Objectives & Budget - Revenue)
- Table SA5 (Reconciliation of the IDP; Strategic Objectives & Budget – Operating Expenditure)
- Table SA6 (Reconciliation of the IDP; Strategic Objectives & Budget – Capital Expenditure)
- Table SA7 (Measurable Performance Objectives)
- Table SA8 (Performance Indicators & Benchmarks)
- Table SA9 (Social; Economic & Demographic Statistics and Assumptions)
- Table SA10 (Funding Measurement)
- Table SA11 (Property Rates Summary)
- Table SA12 (Property Rates by Category)
- Table SA13 (Property Rates by Category)
- Table SA14 (Household Bills)

- Table SA15 (Investment Particulars by Type)
- Table SA16 (Investment Particulars by Maturity)
- Table SA17 (Borrowing)
- Table SA18 (Transfer & Grant Receipts)
- Table SA19 (Expenditure on Transfers & Grant Programme)
- Table SA20 (Reconciliation of Transfers; Grant Receipts & Unspent Funds)
- Table SA21 (Not applicable – KDM does not make any transfers or provide grants to other Organs of State)
- Table SA22 (Summary of Councillor & Staff Benefits)
- Table SA23 (Salaries, Allowances & Benefits of Political Office-bearers, Senior Management & Councillors)
- Table SA24 (Summary of Personnel Numbers)
- Table SA25 (Budgeted Monthly Revenue & Expenditure)
- Table SA26 (Budgeted Monthly Revenue & Expenditure: Municipal Vote)
- Table SA27 (Budgeted Monthly Revenue & Expenditure: Standard Classification)
- Table SA28 (Budgeted Monthly Capital Expenditure: Municipal Vote)
- Table SA29 (Budgeted Monthly Capital Expenditure: Standard Classification)
- Table SA30 (Budgeted Monthly Cash Flow)
- Table SA31 (Not applicable – KDM has no municipal entities at present)
- Table SA32 (List of External Mechanisms)
- Table SA33 (Contracts having Future Budgetary Implications)
- Table SA34a (Capital Expenditure on New Assets by Asset Class)
- Table SA34b (Capital Expenditure on Renewal of Existing Assets by Asset Class)
- Table SA34c (Repairs & Maintenance Expenditure by Asset Class)
- Table SA34d (Depreciation Expenditure by Asset Class)
- Table SA35 (Future Financial Implications of Capital Budget)
- Table SA36 (Detailed Capital Budget)
- Table SA37 (Projects Delayed from Previous Financial Year)



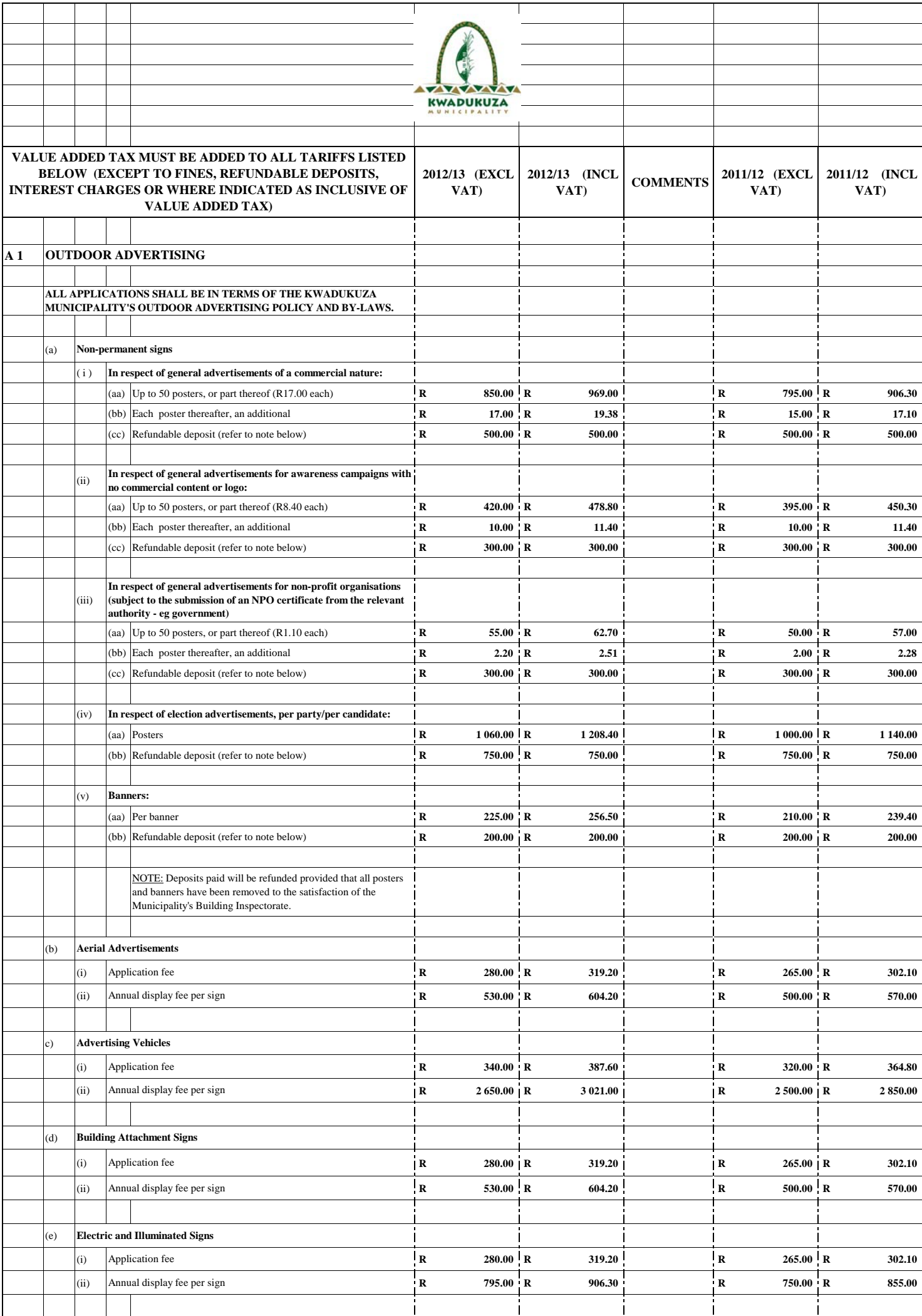


## ANNEXURE D1

### TARIFF OF CHARGES

(Please refer to Excel attachment)

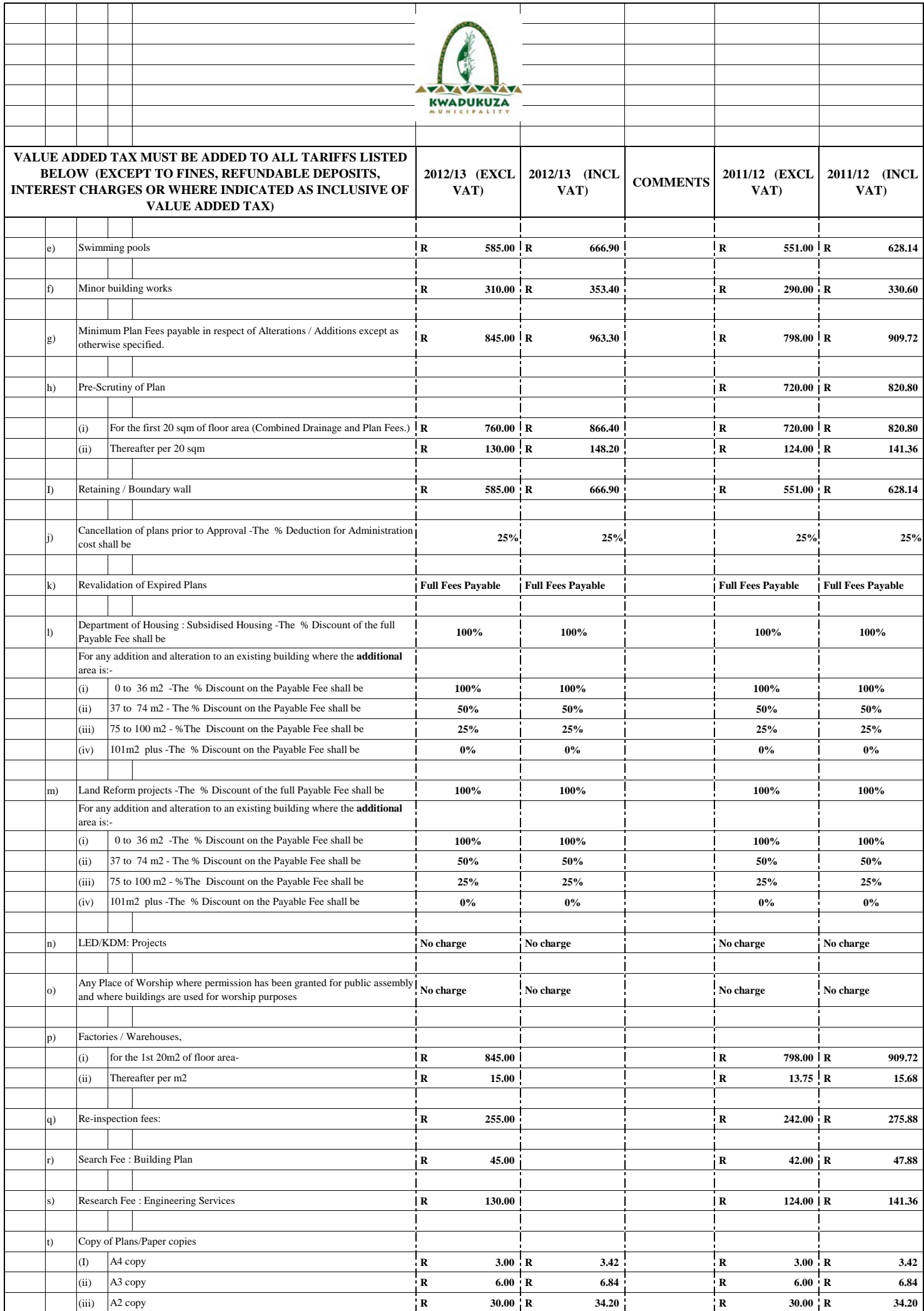






VALUE ADDED TAX MUST BE ADDED TO ALL TARIFFS LISTED BELOW (EXCEPT TO FINES, REFUNDABLE DEPOSITS, INTEREST CHARGES OR WHERE INDICATED AS INCLUSIVE OF VALUE ADDED TAX)				2012/13 (EXCL VAT)	2012/13 (INCL VAT)	COMMENTS	2011/12 (EXCL VAT)	2011/12 (INCL VAT)
(f)	<b>Ground signs (excluding billboards)</b>							
	(i)	Application fee		R 280.00	R 319.20		R 265.00	R 302.10
	(ii)	Annual display fee per sign		R 530.00	R 604.20		R 500.00	R 570.00
(g)	<b>Projecting signs</b>							
	(i)	Application fee		R 280.00	R 319.20		R 265.00	R 302.10
	(ii)	Annual display fee per sign		R 530.00	R 604.20		R 500.00	R 570.00
(h)	<b>Pointer Boards</b>							
	(i)	Registration fee (per Agency)		R 560.00	R 638.40		R 530.00	R 604.20
	(ii)	Advertising Deposit (per Agent) - non-refundable		R -	R -		R -	R -
	(iii)	Annual display fee		R 1 590.00	R 1 812.60		R 1 500.00	R 1 710.00
(i)	<b>Sky signs</b>							
	(i)	Application fee		R 560.00	R 638.40		R 530.00	R 604.20
	(ii)	Annual display fee per sign		R 1 060.00	R 1 208.40		R 1 000.00	R 1 140.00
(j)	<b>Veranda/under canopy signs</b>							
	(i)	Application fee		R 280.00	R 319.20		R 265.00	R 302.10
	(ii)	Annual display fee per sign		R 530.00	R 604.20		R 500.00	R 570.00
(k)	<b>Wall signs/fascia signs</b>							
	(i)	Application fee		R 280.00	R 319.20		R 265.00	R 302.10
	(ii)	Annual display fee per sign		R 530.00	R 604.20		R 500.00	R 570.00
(l)	<b>Street furniture signs</b>							
	(i)	Application fee		R 560.00	R 638.40		R 530.00	R 604.20
	(ii)	Annual display fee per sign		R 795.00	R 906.30		R 750.00	R 855.00
(m)	<b>Street light/street pole signs, etc</b>							
	(i)	Application fee		R 560.00	R 638.40		R 530.00	R 604.20
	(ii)	Annual display fee per sign		R 1 060.00	R 1 208.40		R 1 000.00	R 1 140.00
(n)	<b>Billboards</b>							
	(i)	Application fee		R 1 685.00	R 1 920.90		R 1 590.00	R 1 812.60
	(ii)	Annual display fee per sign - private property		R 7 950.00	R 9 063.00		R 7 500.00	R 8 550.00
	(iii)	Annual display fee per sign - Council property		R 16 000.00	R 18 240.00		R 15 000.00	R 17 100.00
	(iv)	Consumption fee for illuminated billboards - per sign, per month		R 80.00	R 91.20		R 75.00	R 85.50
(o)	<b>Other signs on Council Property</b>							
	(i)	Application fee		R 280.00	R 319.20		R 265.00	R 302.10
	(ii)	Advertising deposit		R -	R -		R -	R -
	(iii)	Annual display fee per sign		R 530.00	R 604.20		R 500.00	R 570.00
(p)	<b>Penalties</b>							

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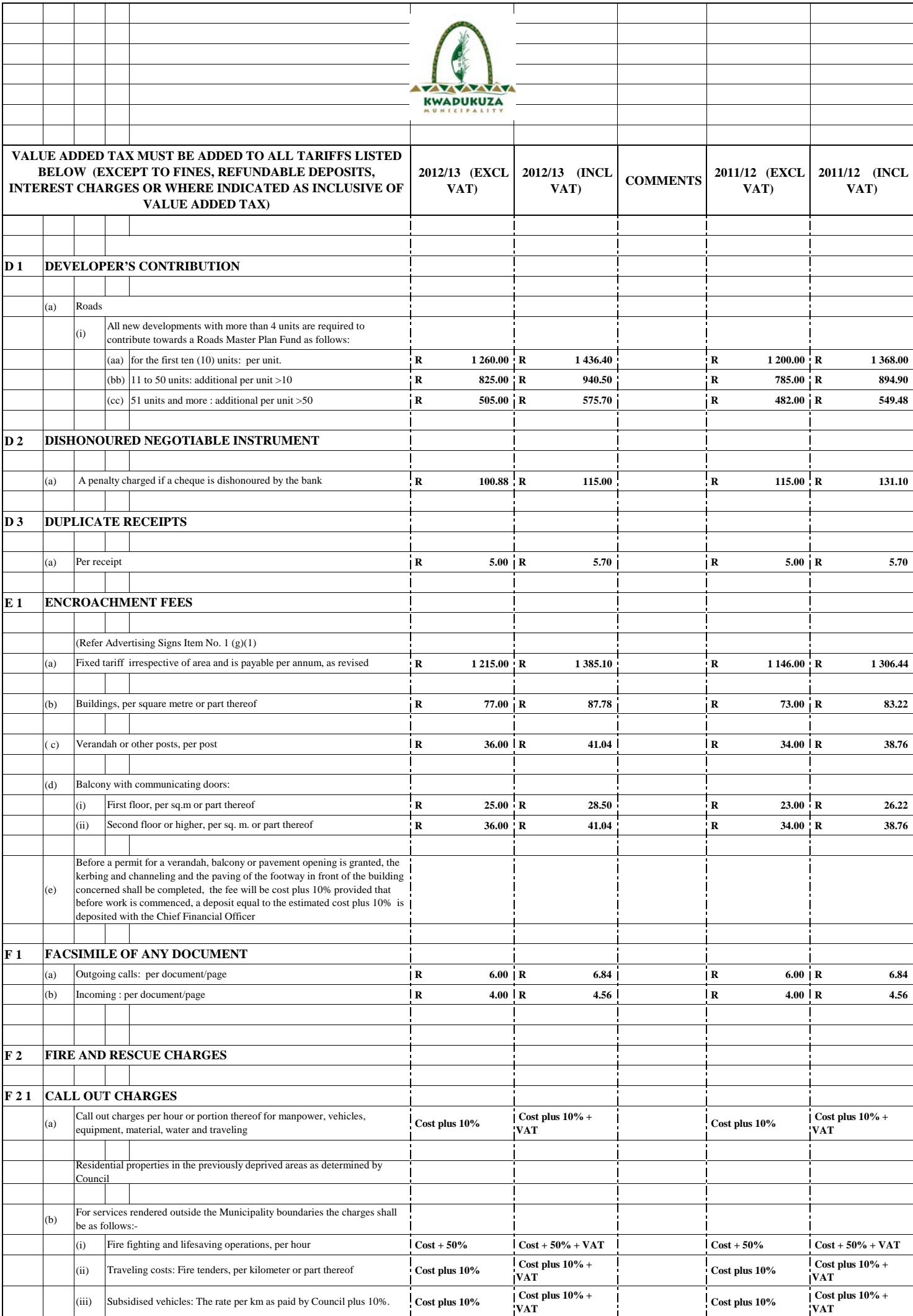


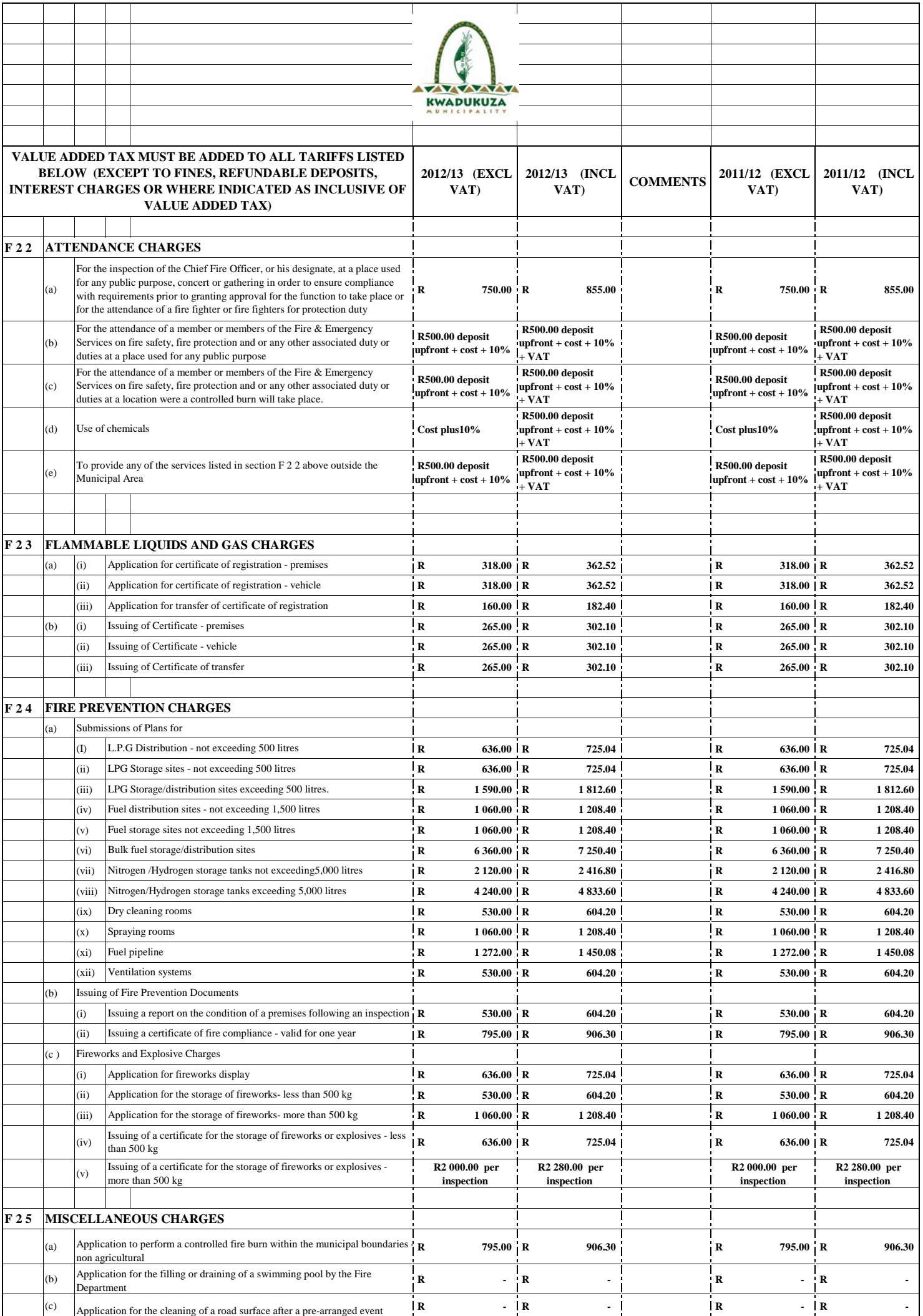


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	(iv)	A1 copy		R 45.00	R 51.30		R 45.00	R 51.30
	(v)	A0 copy		R 80.00	R 91.20		R 80.00	R 91.20
	u)	Plumbers Annual Registration fee		R 130.00	R 148.20		R 124.00	R 141.36
	v)	Rental of hoarding, Sidewalk, Parking Bay (Commercial Zoning) per sqm per week		R 585.00	R 666.90		R 551.00	R 628.14
<b>B3</b>	<b>VERGE / PLAN DEPOSITS:</b>							
	(a)	On Approval of a building plan, prior to the commencement of any work, the owner of the site shall deposit the following amounts with the Chief Financial Officer for Verge and Plan Deposit						
	(i)	New Dwellings		R 895.00	R 957.65		R 843.00	R 961.02
	(ii)	Swimming pool		R 895.00	R 957.65		R 843.00	R 961.02
	(iii)	For alterations, additions		R 895.00	R 957.65		R 843.00	R 961.02
	(iv)	Multi Units (Town Houses)		R 7 630.00	R 8 164.10		R 7 200.00	R 8 208.00
	(v)	Boundary / Retaining Walls		R 763.00	R 816.41		R 720.00	R 820.80
		The % Deposit Refundable shall be		50%	50%		50%	50%
<b>B4</b>	<b>BYLAWS</b>							
		Per copy, per page		R 3.00	R 3.42		R 3.00	R 3.42
<b>C 1</b>	<b>CEMETERY</b>							
	(a)	Single interment of :-						
	(i)	An adult		R 760.00	R 866.40		R 760.00	R 866.40
	(ii)	A child up to the age of ten (10) years		R 260.00	R 296.40		R 260.00	R 296.40
	(b)	An indigent burial fee, applicable only if the following are complied with:		R 87.72	R 100.00		R 65.00	R 74.10
	(i)	The grave is dug and filled by the applicant or his agent						
	(ii)	The grave is dug within the demarcated indigent area.						
	(iii)	The correct depth is supervised by the Council's official or Agent						
	(iv)	The deceased is certified by a Councilor or						
	(v)	Development Committee Member as a Local Resident.						
	(vi)	The deceased must be a permanent resident of KwaDukuza Municipality for at least six months						
	(c)	For permission to erect a tombstone on an occupied grave		R 110.00	R 125.40		R 104.00	R 118.56
	(d)	Provision of extra depth for second interment		R 298.00	R 339.72		R 298.00	R 339.72
	(e)	Reservation of a grave (non-refundable)		R 360.00	R 410.40		R 340.00	R 387.60
	(f)	For the burial of ashes in an existing grave		R 120.00	R 136.80		R 120.00	R 136.80
	(g)	For internment's on Saturday, Sunday or outside normal working hours an additional		R 260.00	R 296.40		R 260.00	R 296.40
	(h)	Wall of remembrance cubicle		R 482.00	R 549.48		R 482.00	R 549.48
	(i)	The digging of a grave previously paid for		R 477.00	R 543.78		R 477.00	R 543.78

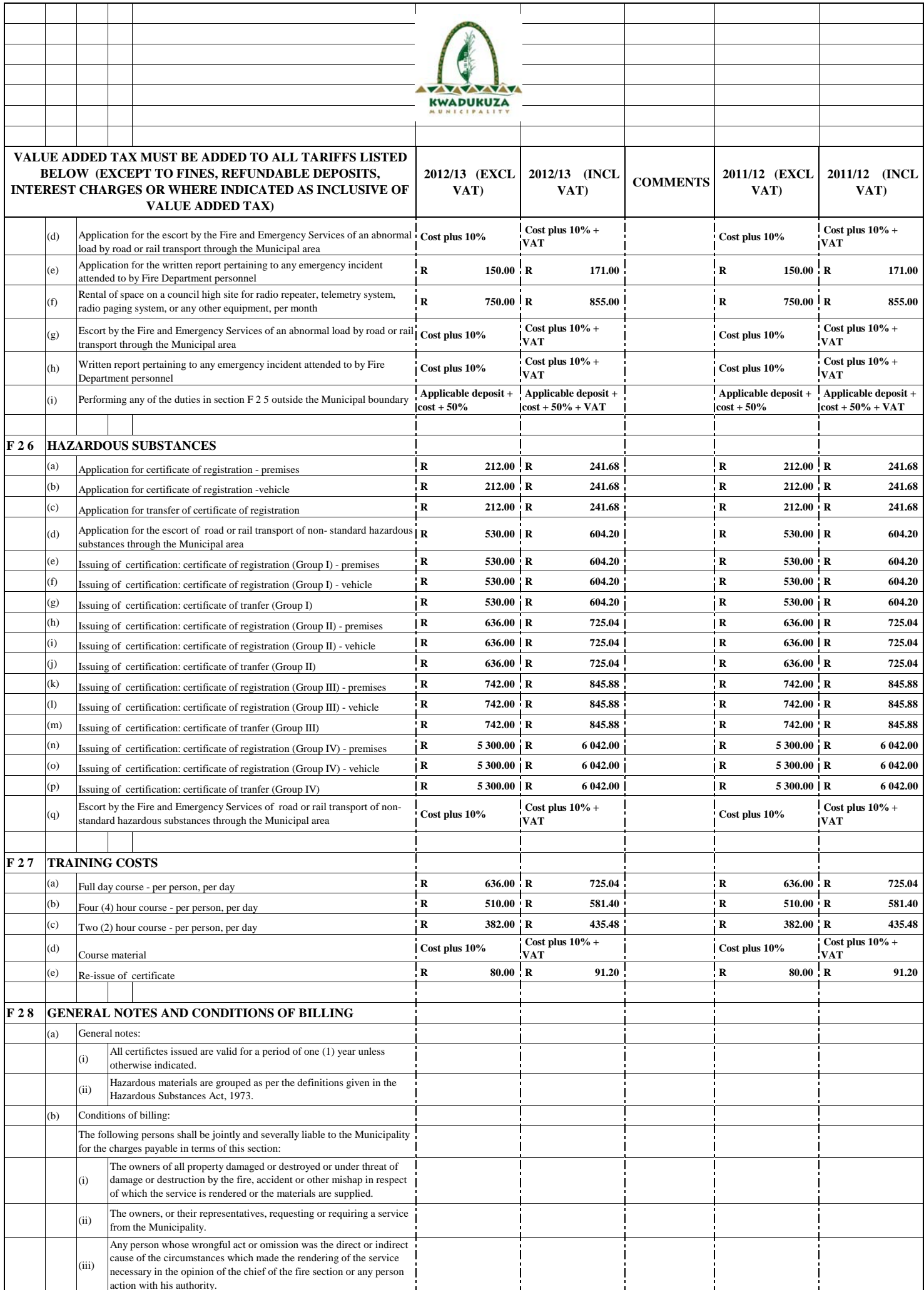


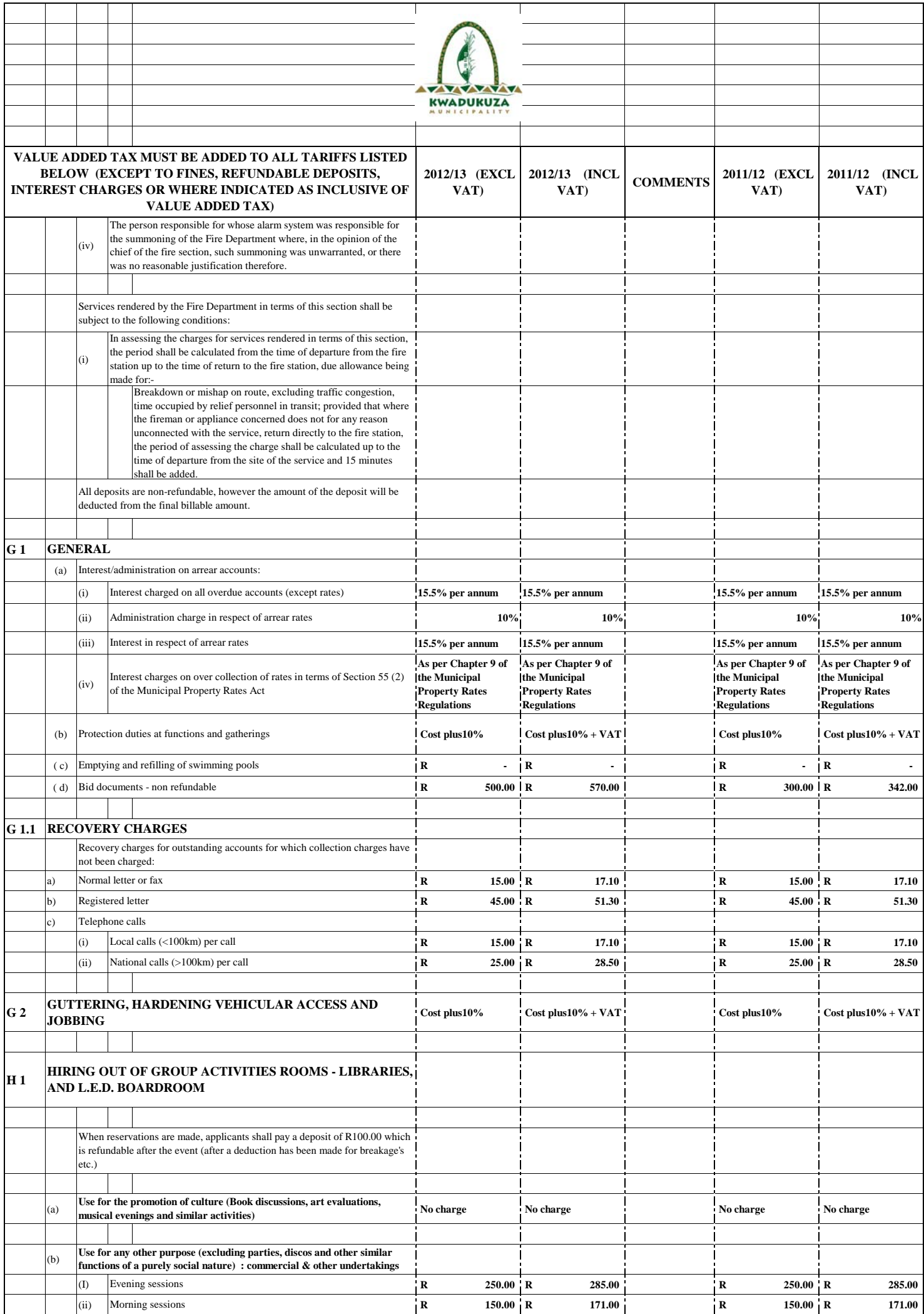
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	(j)	Plague		R	161.00	R	183.54		R	161.00	R	183.54
	(k)	Exhumation of bodies		R	835.00	R	951.90		R	835.00	R	951.90
	(l)	Self dug grave										
	(i)	Adult		R	375.00	R	427.50		R	375.00	R	427.50
	(ii)	Child up to 10 years		R	150.00	R	171.00		R	150.00	R	171.00
	(m)	A premium of 200% in respect of all the above mentioned tariffs, excluding (b), will be levied on non-residents of <b>Kwa-Dukuza Municipality</b>										
<b>C 2 CREMATORIUM</b>												
	(a)	Cremation fee :										
	(i)	Adult: without casket		R	575.00	R	655.50		R	575.00	R	655.50
	(ii)	Adult: with casket (provided that the lid of the casket is excluded and non wooden handles removed)		R	860.00	R	980.40		R	860.00	R	980.40
	(i)	Child up to 10 years: without casket		R	430.00	R	490.20		R	430.00	R	490.20
	(ii)	Child up to 10 years: with casket (provided that the lid of the casket is excluded and non wooden handles are removed)		R	641.00	R	730.74		R	641.00	R	730.74
	(b)	Cremation fee - indigent :										
	(i)	Adult: without casket		R	250.00	R	285.00		R	250.00	R	285.00
	(ii)	Child up to 10 years: without casket		R	85.00	R	96.90		R	85.00	R	96.90
		An indigent cremation fee will be applicable only if the following are complied with:										
	(i)	Cremations must be without caskets.										
	(ii)	A request, approved by the Ward Councillor, must be submitted to the cemetery section.										
	(iii)	A death certificate or burial order must be submitted.										
<b>C 3</b>	<b>CERTIFICATE IN TERMS OF SECTION 265 OF ORDINANCE 25/1974</b>			R	10.00	R	11.40		R	10.00	R	11.40
<b>C 4 COPIES</b>												
	(a)	From Minutes and/or Hearing per page or part thereof. As per Sec. 89(2) of Ordinance 25/74										
		<u>Note:</u> the above section is no longer applicable, having been superceded by more recent legislation. In general, the costs of copying, printing and search fees are covered elsewhere in this Tariff of Charges.										
	(i)	Copy per page or part thereof		R	-	R	-		R	-	R	-
	(ii)	Inspection as per Section 89(2) of Ordinance 25/1974		R	-	R	-		R	-	R	-
	(iii)	Certified copy of extract of minutes of any public meeting of the Council or any public hearing, per 100 words or part thereof		R	-	R	-		R	-	R	-
	(b)	Any copies of documents, including copies of accounts rendered in respect of any service rendered by the Council, per A4 page		R	3.00	R	3.42		R	3.00	R	3.42
<b>C 5</b>	<b>COPY OF BUDGET</b>			R	200.00	R	228.00		R	200.00	R	228.00
<b>C 6</b>	<b>COPY OF AUDITED FINANCIAL STATEMENTS</b>			R	200.00	R	228.00		R	200.00	R	228.00







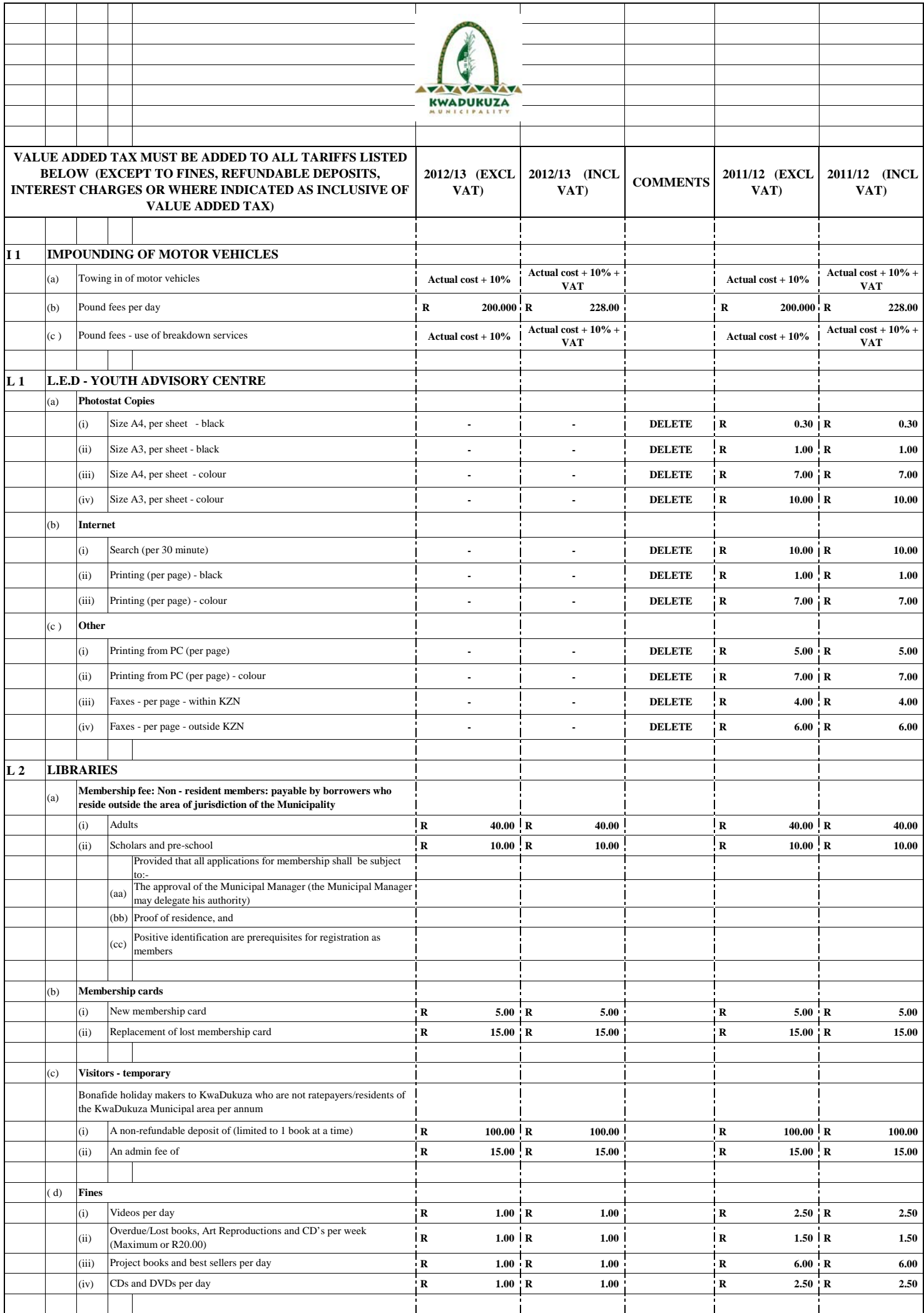


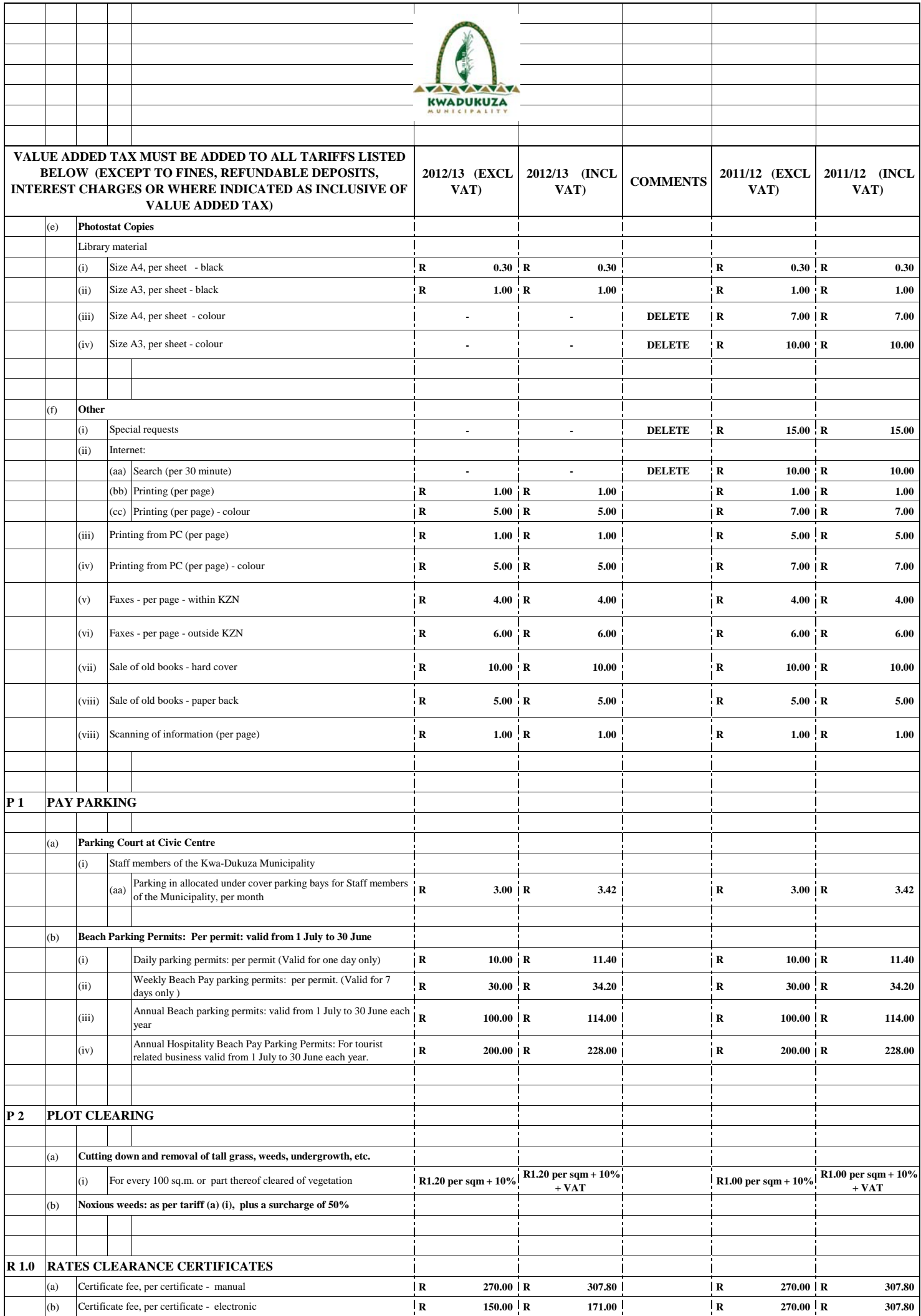


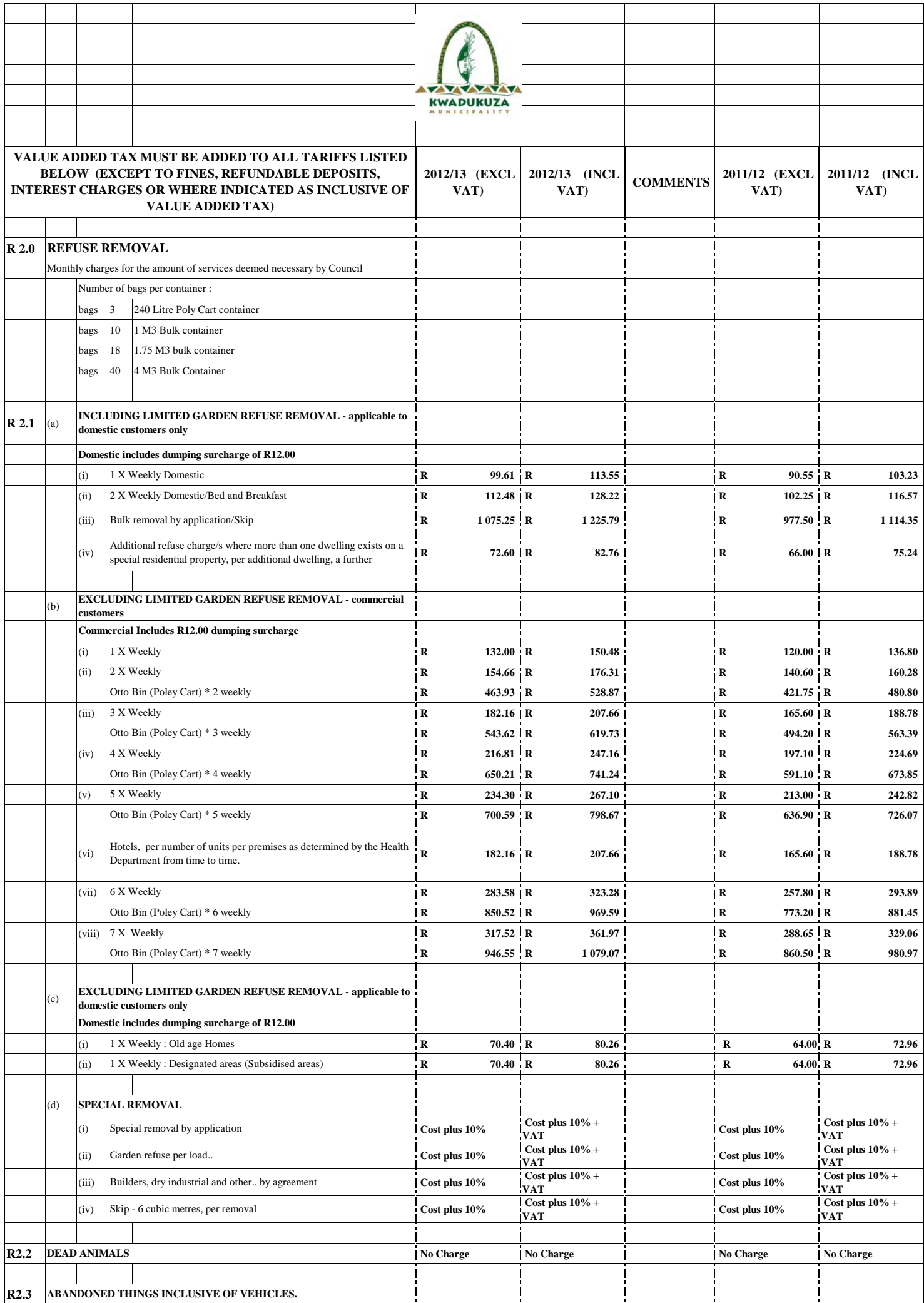




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<b>H 2.5</b>	<b>PREPARATION TIME/REHEARSALS</b>							
		25% of the applicable tariff						
	Application for the exemption of payment of Tariffs H2.1 to H2.5 must be addressed with the Municipal Manager							
<b>H 3</b>	<b>HIRE OF MUNICIPAL SPORTS/PLAYGROUNDS/OPEN SPACES</b>							
	<b>SPORTS/PLAYGROUNDS</b>							
	a)	Charitable organisations (Non -profitable) : Schools, religious,organisations,Child Welfare ect ; Fund raising events : 2 Days & more						
	(i)	Basic Charge (Non- Refundable) (Event Day) per day per ground	R 355.00	R 404.70			R 355.00	R 404.70
	(ii)	Ground Preparation / Restoration Days - per day per ground	R 160.00	R 182.40			R 160.00	R 182.40
	(iii)	Refundable deposit ( On condition that the ground is maintained in a neat and tidy condition and upon termination of the function the ground be restored to its original conditions)	R 1 000.00	R 1 000.00			R 1 000.00	R 1 000.00
	b)	Charitable organisations (Non -profitable) : Schools, religious,organisations,Child Welfare etc ; One day event : i.e. Sports, Fun run etc						
	(i)	Basic Charge (Non- Refundable) (Event Day) per day per ground	R 160.00	R 182.40			R 160.00	R 182.40
	(iii)	Refundable deposit ( On condition that the ground is maintained in a neat and tidy condition and upon termination of the function the ground be restored to its original conditions)	R 1 000.00	R 1 000.00			R 1 000.00	R 1 000.00
	(c)	Profit making organisations / Individuals : Making profit for themselves						
	(i)	Basic Charge (Non- Refundable) (Event Day) per day per ground	R 3 070.18	R 3 500.00			R 3 070.18	R 3 500.00
	(ii)	Ground Preparation / Restoration Days - per day per ground	R 318.00	R 362.52			R 318.00	R 362.52
	(iii)	Refundable deposit (Proportionate to damages and on condition that the ground is maintained in a neat and tidy condition and upon termination of the function the ground be restored to its original conditions)	R 5 000.00	R 5 000.00			R 5 000.00	R 5 000.00
	<b>OPEN SPACES</b>							
	(a)	Hire fee, per day, for the use of Municipal open spaces/vacant lots by religious organisations or non profit organisations where any structure or marquee is fixed to the ground and is used for more than one day	R 100.00	R 114.00			R 100.00	R 114.00
	(b)	Refundable deposit in respect of (a) above	R 500.00	R 500.00			R 500.00	R 500.00
<b>H 4</b>	<b>USE OF DR BHORAT SWIMMING POOL</b>							
	(a)	Entrance fees						
	(i)	Adult	R 5.00	R 5.00			R 5.00	R 5.00
	(ii)	Child	R 2.00	R 2.00			R 2.00	R 2.00
	(b)	Parties/functions:						
	(i)	Hire fees, per night	R -	R -			R -	R -
	(ii)	Refundable deposit	R -	R -			R -	R -
	(c)	Baptisms:						
	(i)	Hire fees, per person up to 30 people	R 3.50	R 3.99			R 3.50	R 3.99
	(ii)	Hire fees, more than 30 people	R 100.00	R 114.00			R 100.00	R 114.00
	(d)	Swimming clubs, per month	R 200.00	R 228.00			R 200.00	R 228.00
	(e)	Schools, per month	R 150.00	R 171.00			R 150.00	R 171.00
	(f)	Tuck shop rental	As determined by Council	As determined by Council			As determined by Council	As determined by Council
	(g)	Annual fee	As determined by Council	As determined by Council			As determined by Council	As determined by Council



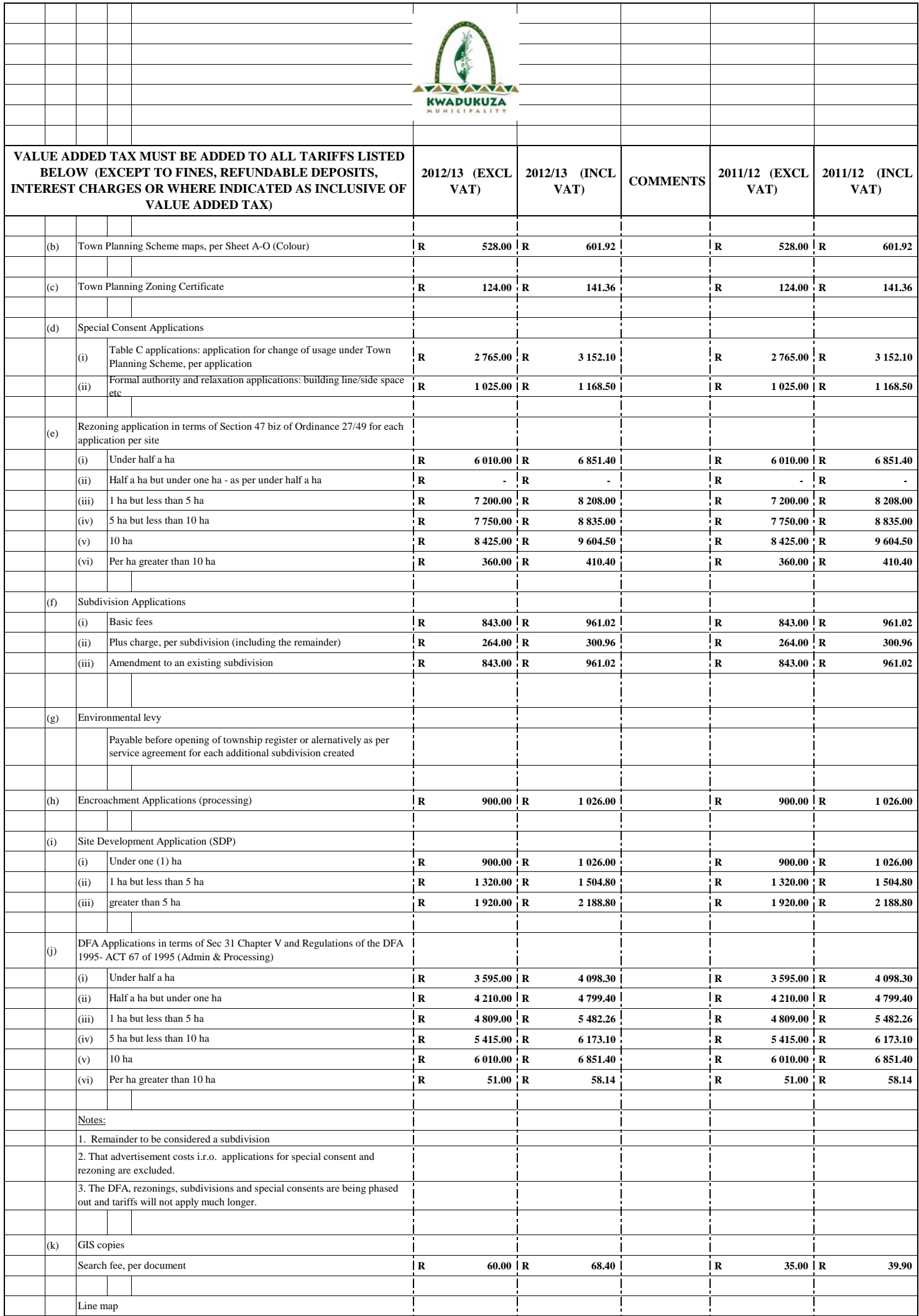


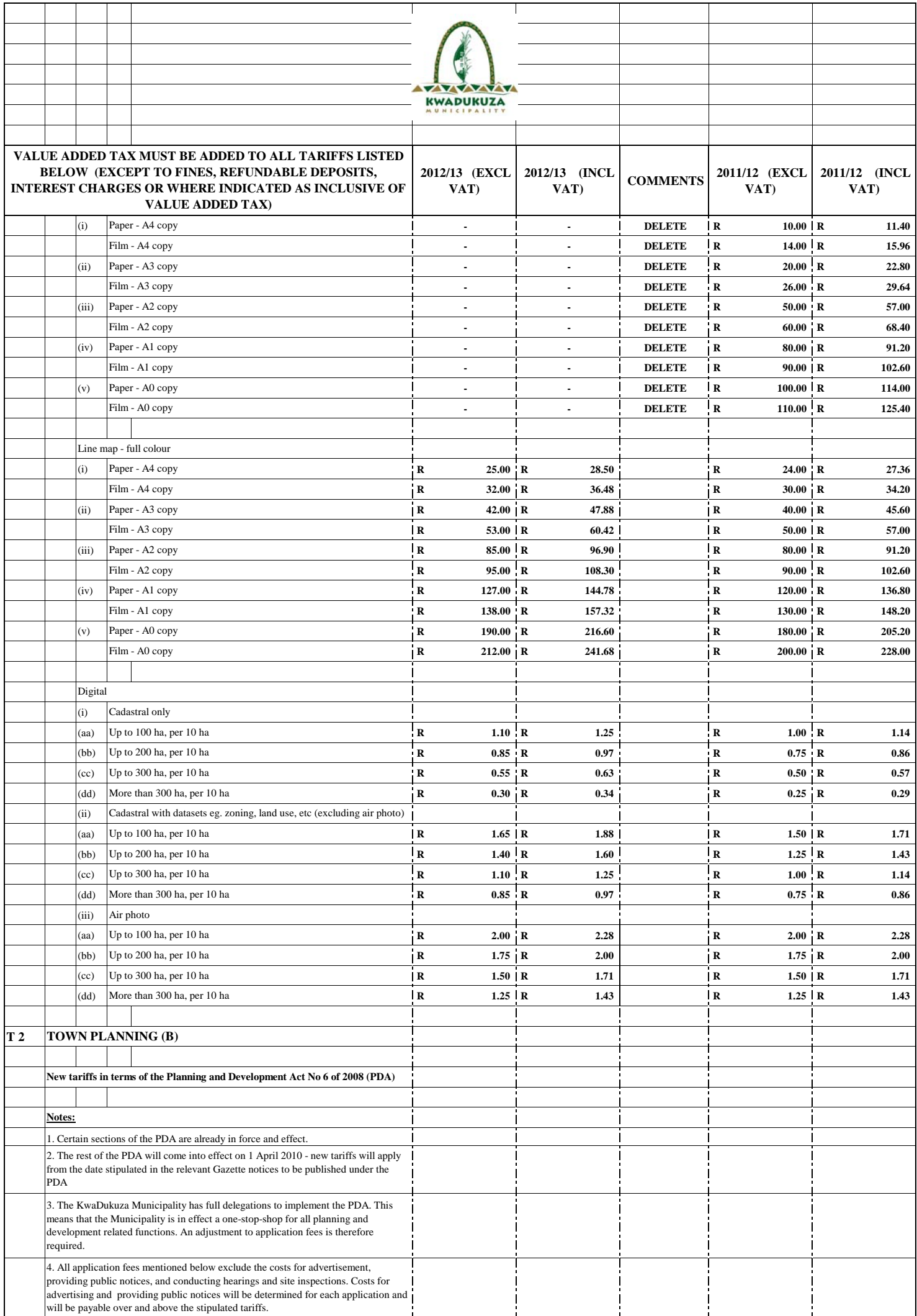


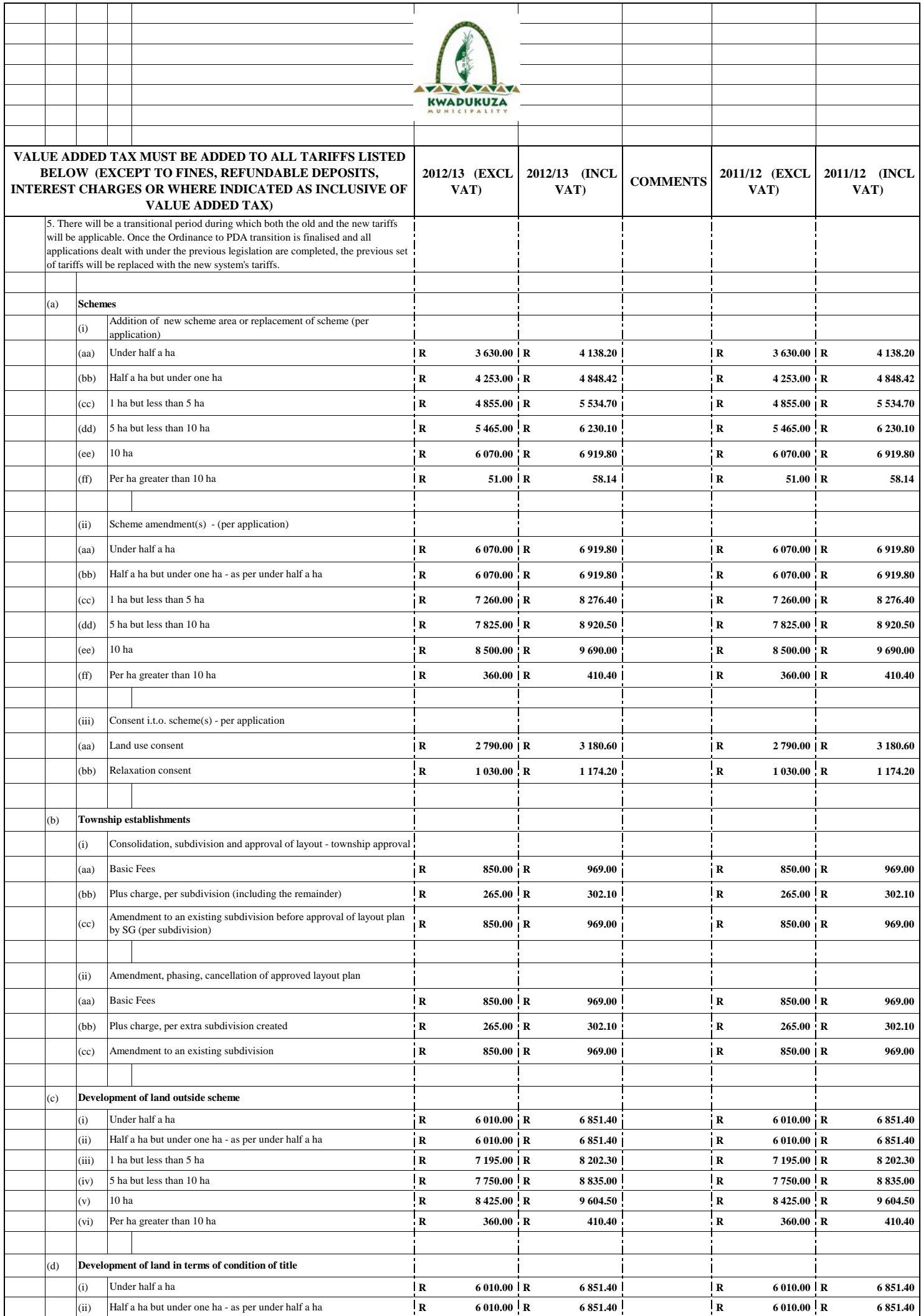


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		Removal in terms of section 131 of Ordinance 21 of 1966		Actual cost plus 10%	Actual cost plus 10% + VAT		Actual cost plus 10%	Actual cost plus 10% + VAT
<b>R2.4</b>	<b>STORAGE FOR A PERIOD NOT EXCEEDING FOUR MONTHS - per day</b>							
	(a)	Use of refuse dump in respect of refuse emanating from property within the Council's area of jurisdiction		Actual cost plus 10%	Actual cost plus 10% + VAT		Actual cost plus 10%	Actual cost plus 10% + VAT
	(b)	Refuse other than that referred to above per cubic metre		R 200.00	R 228.00		R 200.00	R 228.00
<b>R 3</b>	<b>ROAD TRAFFIC</b>							
	(a)	Public Motor Vehicles Fees for the issue of renewal or a permit to use as public motor vehicle stand, public buses including school buses;						
	(i)	Buses per annum for each bus		R 100.00	R 114.00		R 100.00	R 114.00
	(ii)	Taxis per annum		R 50.00	R 57.00		R 50.00	R 57.00
	(b)	Escort duties for abnormal loads and/or abnormal vehicles per Traffic Officer per hour or part thereof shall be		Actual cost plus 10%	Actual cost plus 10% + VAT		Actual cost plus 10%	Actual cost plus 10% + VAT
	(c)	Issue of Summonses						
	(i)	On behalf of other authorities		R 50.00	R 57.00		R 50.00	R 57.00
	(ii)	Execution of a warrant		R 50.00	R 57.00		R 50.00	R 57.00
	(iii)	Non-execution of a warrant		R 15.00	R 17.10		R 15.00	R 17.10
	(iv)	Execution of a warrant		R 50.00	R 57.00		R 50.00	R 57.00
	(v)	Non-execution of a warrant		R 15.00	R 17.10		R 15.00	R 17.10
<b>R 3.1</b>	<b>ROAD RACING SPORT AND RELATED ACTIVITIES</b>							
	(a)	Assistance fee		Cost plus 10%	Cost plus 10% + VAT		Cost plus 10%	Cost plus 10% + VAT
<b>S 1</b>	<b>BOAT LAUNCHES</b>							
	(a)	(i) Persons who are not residents or ratepayers of the Municipality		R 220.00	R 250.80		R 165.00	R 188.10
		(ii) Ratepayers or residents of the Municipality		R 180.00	R 205.20		R 130.00	R 148.20
		(iii) Members of licensed launch clubs in KwaDukuza		R 100.00	R 114.00		R 50.00	R 57.00
	(b)	Temporary Permits						
	(i)	7 Days or part thereof		R 80.00	R 91.20		R 50.00	R 57.00
<b>S 2</b>	<b>SEARCH FEE</b>							
	(a)	Search fee for the inspection of any document, other than the minutes of the council, which in the opinion of the Municipal Manager may be released, per document		R 35.00	R 39.90		R 35.00	R 39.90
	(b)	Copy of accounts, per document		R 35.00	R 39.90		R 35.00	R 39.90
	(c)	Search fee not covered		R 35.00	R 39.90		R 35.00	R 39.90
<b>S 3</b>	<b>SERVICES IN RESPECT OF WORK NOT PROVIDED FOR:</b>							
		Any work undertaken or tariffs for which no specific provision exists in the Tariff of Charges		Cost plus 10%	Cost plus 10% + VAT		Cost plus 10%	Cost plus 10% + VAT
		<b>NOTE:</b>						
		The Chief Financial Officer shall have the right to require payment in advance of any amount estimated to be the cost of the service of work, provided that when the final cost is known, any shortfall shall be recovered by the Chief Financial Officer, or any amount by which the sum deposited exceeds the final cost shall be refunded.						
<b>T 1</b>	<b>TOWN PLANNING (A)</b>							
	(a)	Town Planning Scheme Documents		R 660.00	R 752.40		R 660.00	R 752.40





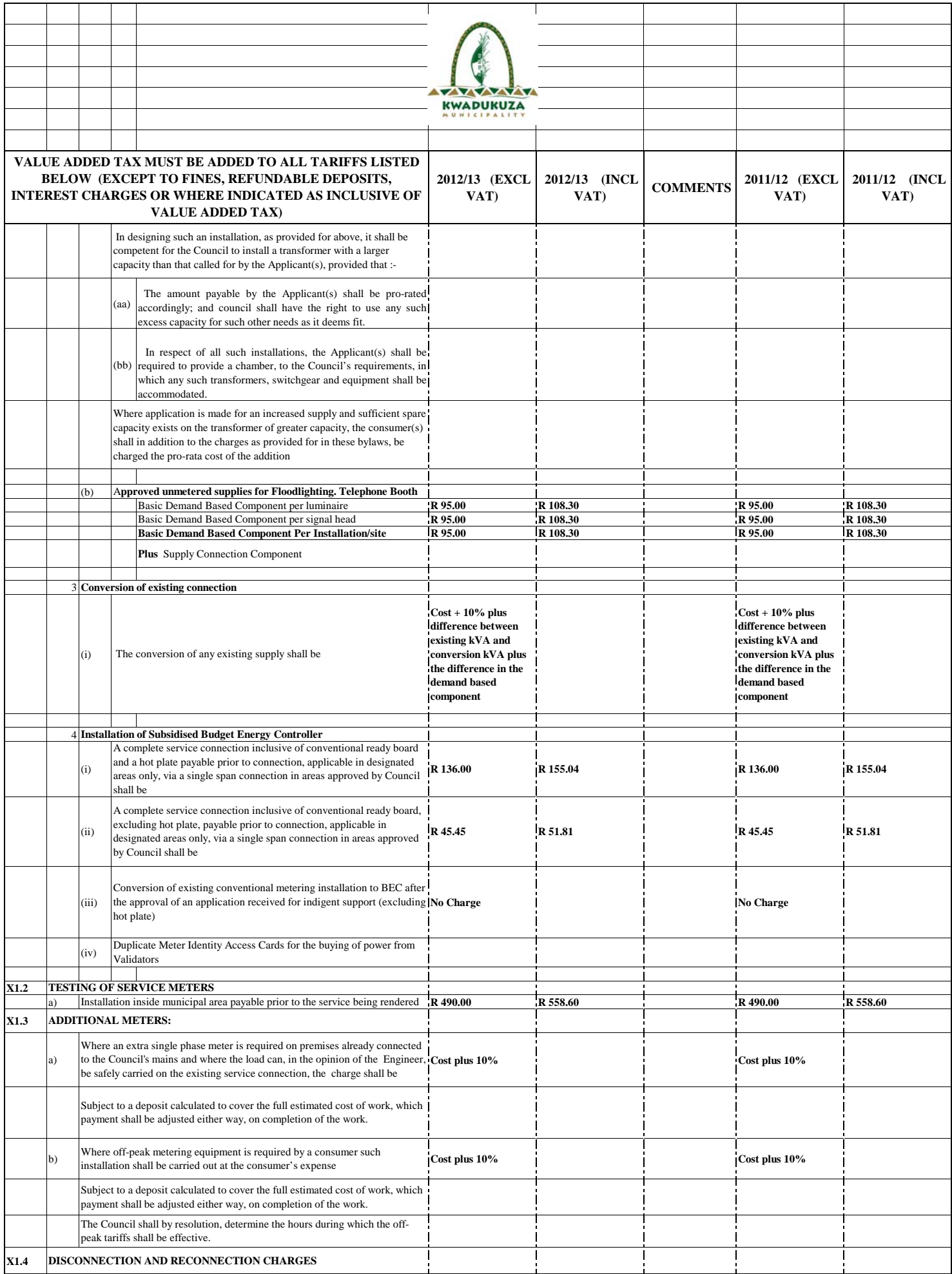








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a)	Valuation roll per township per copy - hard copy		-		DELETE	R 235.00	R 267.90
b)	Valuation roll per township per copy - electronic copy		R 150.00	R 171.00		R 185.00	R 210.90
c)	Valuation roll for whole KwaDukuza area per copy - hard copy		-		DELETE	R 875.00	R 997.50
d)	Valuation roll for whole KwaDukuza area per copy - electronic copy		R 600.00	R 684.00		R 635.00	R 723.90
e)	Valuation appeal fee, per property, non-refundable		R 650.00	R 741.00		R 530.00	R 604.20
(f)	Prescribed fee, in terms of S53 (2) of the Municipal Property Rates Act		R 850.00	R 969.00		R 850.00	R 969.00
(g)	Section 78 valuation review		R 750.00	R 855.00	NEW		
(h)	Valuation Certificate		R 15.00	R 17.10		R 15.00	R 17.10
(i)	Returns of property transfers, as supplied by the Registrar of Deeds						
(i)	First inspection by any ratepayer in connection with any appeal which he may contemplate		R 7.50	R 8.55		R 7.50	R 8.55
(ii)	For inspection other than as provided above		R 15.00	R 17.10		R 15.00	R 17.10
(iii)	For copies, per property transferred		R 6.50	R 7.41		R 5.00	R 5.70
<b>X1 SUPPLY OF ELECTRICITY</b>							
Designated area shall mean the areas: subsidised by Provincial Government ; low income housing scheme							
<b>X1.1 INSTALLATION OF ELECTRICITY SERVICES:</b>							
	The charge payable to the Town Treasurer, in accordance with the provisions of the Electricity Supply Bylaws, for the installation of services shall be as per the tariffs listed hereunder:-						
	Provided that, before the work commence, within the jurisdiction of the supply area, an amount sufficient to cover the cost of the work, as estimated by the town Engineer, shall be deposited with the Town Treasurer such amount being inclusive of the cost						
1	<b>Standard Services</b>						
	<b>ONLY PREPAYMENT OR ELECTRONIC METERS WITH ONLINE READING FACILITIES - WILL BE INSTALLED IN FARM AREAS</b>						
(a)	<b>NEW Installations</b>						
	<b>Basic Demand Based Component IS NOT APPLICABLE to Designated Areas or Indigent Households</b>						
	<b>For actual kVA applied for as recorded on the official supply application document PER kVA shall be</b>		R 1 166.00	R 1 329.24		R 1 060.00	R 1 060.00
(i)	Single phase 60 Amp = 13.8 kVA Basic Demand Based Component <b>Plus:</b> Complete Service Connection Component including cables etc <b>OR</b> Partial Service connection (Not including cables )		R 13 900.00 Cost + 10% Cost + 10%	R 15 846.00		R 13 900.00 Cost + 10% Cost + 10%	R 15 846.00
(ii)	Three Phase (Maximum 3 x 60 A = 41.4kVA) Basic Demand Based Component <b>Plus:</b> Complete Service Connection Component including cables etc <b>OR</b> Partial Service connection (Not including cables )		R 41 976.00 Cost + 10% Cost + 10%	R 47 852.64		R 41 976.00 Cost + 10% Cost + 10%	R 47 852.64
(iii)	Three Phase (Maximum 3 x 150 A = 103.5kVA) Basic Demand Based Component <b>Plus:</b> Service Connection Component		R 104 940.00 Cost + 10%	R 119 631.60		R 104 940.00 Cost + 10%	R 119 631.60
(iv)	Three Phase (Maximum 3 X 80 A = 55.5 kVA) Basic Demand Based Component <b>Plus:</b> Complete Service Connection Component including cables etc <b>OR</b> Partial Service connection (Not including cables )		R 55 968.00 Cost + 10% Cost + 10%	R 63 803.52		R 55 968.00 Cost + 10% Cost + 10%	R 63 803.52
(v)	Basic Demand Based Component for every 3X25A or part thereof (= 17.25kVA) <b>Plus:</b> Service Connection Component		R 17 490.00 Cost + 10%	R 19 938.60		R 17 490.00 Cost + 10%	R 19 938.60
(c)	Network connection charge		Cost + 1%			Cost + 1%	NEW
2	<b>Non Standard Services</b>						
(i)	Bulk Supplies and Internal Services for Developments		As per agreement			As per agreement	
(ii)	Ad Hoc 11kV/420 V Installations for Commercial and Service Industry Basic Demand Based Component .... Per kVA <b>Plus:</b> Service Connection Component As indicated below		R 1 166.00 Cost + 10%	R 1 329.24		R 1 060.00 Cost + 10%	R 1 208.40
	Where the requirement(s) of any one or more consumers necessitate, in the opinion of the Engineer, the specific installation of one or more transformers together with associated switchgear, such consumer(s) shall be responsible for the cost of such installation						




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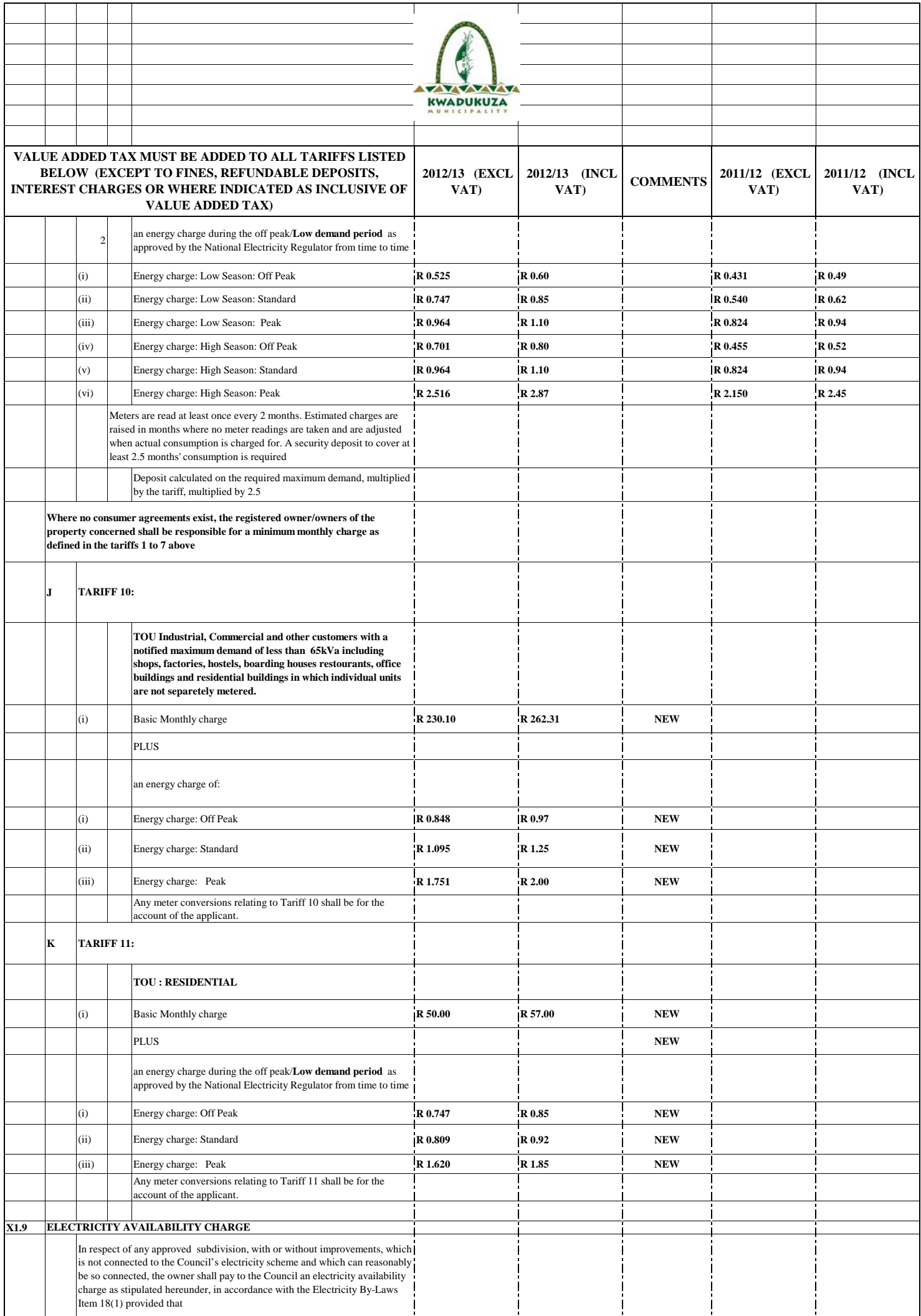
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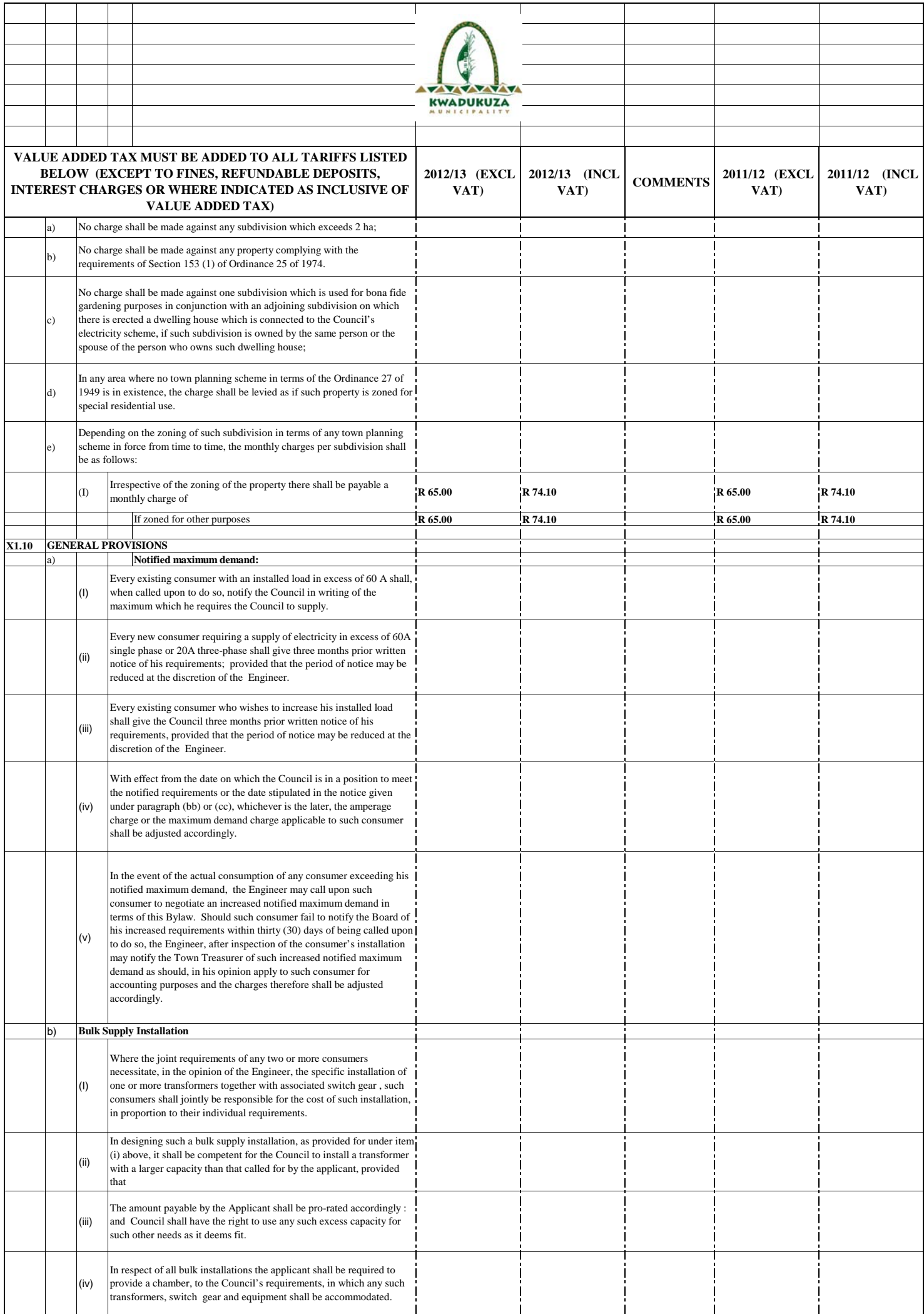




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	(I)	A monthly service/basic/availability charge per connection point - as approved by the National Electricity Regulator from time to time, which shall be payable whether or not any electricity is consumed;		R 0.00	R 0.00		R 0.00	R 0.00
		PLUS						
	(iii)	An energy charge as approved by the National Electricity Regulator from time to time.		R 1.1420	R 1.3019		R 1.0200	R 1.1628
	(iv)	In the case of the initial exchange of circuit breakers and in the case of any subsequent replacement by circuit breakers of increased or reduced capacity, the cost of exchange shall be		Cost plus 10%			Cost plus 10%	
		Meters are read at least once every 2 months. Estimated charges are raised in months where no meter readings are taken and are adjusted when actual consumption is charged for. A security deposit to cover at least 2.5 months' consumption is required OR a minimum deposit of		R 2 500.00	R 2 500.00		R 2 500.00	R 2 500.00
	d)	<b>TARIFF 5:</b>						
		Churches and other organisations registered in terms of the Act as welfare organisation:						
		There shall be payable monthly						
	(I)	A monthly service/basic/availability charge per connection point - as approved by the National Electricity Regulator from time to time, which shall be payable whether or not any electricity is consumed;		R 0.00	R 0.00		R 0.00	R 0.00
		PLUS						
	(iii)	An energy charge as approved by the National Electricity Regulator from time to time.		R 1.1420	R 1.3019		R 1.0200	R 1.1628
	(iv)	In the case of the initial exchange of circuit breakers and in the case of any subsequent replacement by circuit breakers of increased or reduced capacity, the cost of exchange shall be		Cost plus 10%			Cost plus 10%	
		Meters are read at least once every 2 months. Estimated charges are raised in months where no meter readings are taken and are adjusted when actual consumption is charged for. A security deposit to cover at least 2.5 months' consumption is required OR a minimum deposit of		R 2 500.00	R 2 500.00		R 2 500.00	R 2 500.00
	e)	<b>TARIFF 6:</b>						
		Approved un-metered supplies for floodlighting, telephone booth lighting and street lighting.						
		A security deposit to cover at least 2 months' consumption is required						
		The following formula and tariffs shall apply to all unmetered supplies for floodlighting, street lighting.						
		Monthly Charge = $\frac{W \times 4000 \times \text{Tariff}}{1000 \times 12}$						
		W = Total lamp wattage of the installation						
		4000 = Annual burning hours						
		1000 = Converting watt to kW						
		12 = Converting annual hours to monthly hours						
	(i)	Installation Maintained by customer						
		Energy charge per kWh		R 1.21	R 1.38		R 0.60	R 0.68
		Per pole up to 200kW		R 101.00	R 115.14		R 44.00	R 50.16
		Per pole up greater than 200Kw		R 155.00	R 176.70		R 49.00	R 55.86
		Per Traffic Controller per signal head		R 155.00	R 176.70		R 49.00	R 55.86
	(ii)	Installation Maintained by Municipality						
		Energy charge per kWh		R 1.25	R 1.43		R 0.60	R 0.68
		Per pole up to 200kW		R 165.00	R 188.10		R 44.00	R 50.16
		Per pole up greater than 200Kw		R 180.00	R 205.20		R 80.00	R 91.20
		Per Traffic Controller per signal head					R 44.00	R 50.16
	(iii)	A charge per floodlight, telephone booth lighting and street lighting where the maintenance is maintained by Council as approved by the National Electricity Regulator from time to time, per pole shall be		R 101.00	R 115.14		R 44.00	R 50.16
	(iv)	These lights shall operate with the Council's streetlights and any expenses incurred by the Council on the maintenance of such installation shall be recoverable from the consumer. The consumer may, at the discretion of the Engineer be required to provide material (spares)		Cost plus 10%			Cost plus 10%	
	(v)	A charge per floodlight, telephone booth lighting and street lighting where the maintenance is maintained by the customer as approved by the National Electricity Regulator from time to time, per pole shall be		R 101.00	R 115.14		R 44.00	R 50.16

									
<b>VALUE ADDED TAX MUST BE ADDED TO ALL TARIFFS LISTED BELOW (EXCEPT TO FINES, REFUNDABLE DEPOSITS, INTEREST CHARGES OR WHERE INDICATED AS INCLUSIVE OF VALUE ADDED TAX)</b>					<b>2012/13 (EXCL VAT)</b>	<b>2012/13 (INCL VAT)</b>	<b>COMMENTS</b>	<b>2011/12 (EXCL VAT)</b>	<b>2011/12 (INCL VAT)</b>
	(vi)	A charge per traffic controller installation per signal head, shall be			R 101.00	R 115.14		R 44.00	R 50.16
f)	Approved unmetered low consumption installations.								
		A security deposit to cover at least 2 months' consumption is required							
		Such as 2 way radio installations; road traffic counter installation; water reservoir level indicators; security cameras, boom controls;							
		Per installation			R 180.00	R 205.20		R 150.00	R 171.00
g)	<b>TARIFF 7:</b>								
		Sappi Fine Paper by agreement kVA exceeds 20,000			By agreement			By agreement	
	(I)	Supplies to large consumers exceeding 1 000 kVA							
	(ii)	Basic Monthly charge			R 840.00	R 957.600		R 840.00	R 957.600
	(ii)	A Demand tariff per month as approved by the National Electricity Regulator from time to time, for kilovolt ampere registered during the off peak/Low demand period on an off peak meter, subject to a minimum monthly charge equal to 70% of the maximum demand			R 49.51	R 56.441		R 39.10	R 44.574
		PLUS							
	(iii)	an energy charge during the off peak/Low demand period as approved by the National Electricity Regulator from time to time			R 0.84	R 0.958		R 0.71	R 0.809
	(iv)	A Demand tariff per month as approved by the National Electricity Regulator from time to time, for kilovolt ampere registered during the peak/ High demand period on an off peak meter, subject to a minimum monthly charge equal to 70% of the maximum demand			R 49.51	R 56.441		R 39.10	R 44.574
		PLUS							
	(iii)	an energy charge during the peak/High demand period as approved by the National Electricity Regulator from time to time			R 0.84	R 0.958		R 0.71	R 0.809
		Meters are read at least once every 2 months. Estimated charges are raised in months where no meter readings are taken and are adjusted when actual consumption is charged for. A security deposit to cover at least 2.5 months' consumption is required							
		Deposit calculated on the required maximum demand, multiplied by the tariff, multiplied by 2.5							
H	<b>TARIFF 8:</b>								
		Premises equipped with Budget Energy Control Metering system							
	(i)	First 75 kWh free for Indigent Customers qualifying in terms of policies set by Council			R 0.0792	R 0.090		R 0.64	R 0.730
	(ii)	Thereafter the cost per kWh shall be as approved by the National Electricity Regulator from time to time, and shall be payable in advance.			R 1.1413	R 1.301		R 0.72	R 0.821
	(iii)	Domestic other than registered indigent customers - the cost per kWh shall be as approved by the National Electricity Regulator from time to time and shall be payable in advance per kWh be			R 1.1413	R 1.301		R 1.0145	R 1.157
	(iv)	Commercial Prepaid metering			R 1.3610	R 1.5515		R 1.0824	R 1.2339
I	<b>TARIFF 9:</b>								
		Supplies to large consumers exceeding 1 000 kVA that can be measured seasonal and at Time of Use period							
	I	A Demand tariff per month as approved by the National Electricity Regulator from time to time, for kilovolt ampere registered during the peak/ High demand period on an off peak meter, subject to a minimum monthly charge equal to 70% of the maximum requested demand							
	(i)	Basic Monthly charge			R 840.00	R 957.60		R 840.00	R 957.60
	(ii)	HIGH Season: Demand tariff per month as approved by the National Electricity Regulator from time to time,			R 49.51	R 56.44		R 39.10	R 44.57
	(iii)	LOW Season: Demand tariff per month as approved by the National Electricity Regulator from time to time.			R 49.51	R 56.44		R 39.10	R 44.57
		PLUS							









## ANNEXURE E

# ANNUAL BUDGET PROCESS

# **OVERVIEW OF THE ANNUAL BUDGET PROCESS**

## **BACKGROUND**

KDM is required to follow a strict budget process that enables significant participation by the community and all stakeholders. This budget process is governed by the MSA and the MFMA.

KDM's budget process for the 2012/2013 financial year started with the approval of the process plan in August 2011. All stakeholders made a commitment to the process followed in reviewing the IDP and preparing the MTREF.

Many meetings and workshops were held to ensure that the MTREF is more closely aligned to KDM's IDP and its SDBIP. Regular meetings were scheduled involving the BSC; the BTO and all departments.

During February 2012, budget instructions and broad expenditure parameters were issued to departments by the BTO. A series of meetings were held with the Executive Directors during March 2012. At these meetings, the budget strategy; the budget-related policies and the alignment of the Operating and Capital Budgets with the IDP were discussed. Departments subsequently submitted their inputs and the draft MTREF was compiled during March 2012. The Draft MTREF will be duly advertised together with dates and venues for the community consultation process.

The Draft MTREF will also be submitted to COGTA, Provincial and National Treasuries for inputs and comments as required by the MFMA.

- **Department Consultation**

Each department's budget requests are in line with the projects disclosed in the IDP. The Departments took into account all operating costs necessary for the life of capital projects in compiling their Capital Budget, and, also, all incidental cost savings and increases in revenue.

Both the Operating and Capital Budgets have been evaluated through a prioritisation mechanism that ensures alignment to KDM's development strategies.

## **POLITICAL OVERSIGHT**

To assist the prioritisation and spending plans of Council, the political component has a duty to oversee the budget process. The Mayor is required to provide political guidance over the budget process and the priorities that must guide budget preparation, as stipulated in Section 53(1) of the MFMA.

The BSC monitors financial planning and spending plans, and advises Council accordingly. The BSC also considers all budget-related policies before these are tabled to Council for approval. The BSC therefore plays a significant role in the budgeting process.



## **BUDGET-RELATED POLICIES**

The following budget-related policies were taken into account in developing the MTREF:

1. Rates Policy
2. Credit Control & Debt Management Policy
3. Indigent Policy
4. Tariff Policy
5. Investment & Cash Management Policy
6. Borrowings Policy
7. Supply Chain Management Policy
8. Fixed Asset Management Policy
9. Funding & Reserves Policy
10. Budget Policy
11. Virements Policy
12. Long Term Financial Planning Policy
13. Policy on Infrastructure, Investments and Capital Projects

## **ALIGNMENT WITH NATIONAL & PROVINCIAL PRIORITIES**

The Draft MTREF is in line with national and provincial objectives. The successful alignment of KDM's service delivery priorities, as captured in its IDP, with these objectives is critical in achieving its developmental goals. The Draft MTREF is also formulated in a manner that supports KDM's long-term sustainable growth and development.

**The following priorities are National Government's framework to enhance the social, cultural and economic welfare of all South Africans:**

- Protect the poor
- Build capacity for long-term growth
- Sustain employment growth
- Maintain sustainable debt level
- Address sector barriers to growth and investment

**The following key policy areas are the focus of 2012/2013 Provincial Budget:**

- Poverty alleviation
- Economic empowerment
- Skills development; training and preferred procurement
- Building a healthy and caring nation

## **KEY DEADLINES**

The budget time schedule for compilation of the Draft MTREF was approved in August 2011, in compliance with the MFMA's requirements. The budget timetable is necessary to



ensure integration between the IDP and the MTREF. It also ensures a balanced budget is tabled to Council for consideration and approval.

- **Importance of producing a balanced and credible MTREF**

A credible MTREF is one that is highly achievable, as it is in line with all agreed service delivery and performance targets. It contains revenue and expenditure projections that are consistent with current and past performance. These projections are also supported by documented evidence of future assumptions. Only activities that are consistent with the revised IDP are funded. This ensures that the IDP remains realistically achievable given KDM's financial constraints. A credible MTREF does not jeopardize financial viability, because it ensures that the financial position is maintained within generally accepted prudential limits and that obligations can be met. It also provides the Executive Directors with appropriate levels of delegation sufficient to meet their financial management responsibilities.

In accordance with MFMA Circular 58, the following key deadlines, inter alia, must be observed:

- **Schedule of Key Deadlines**

Tabling of draft MTREF to Council	29 March 2012
Submission of the tabled draft MTREF to the NT and relevant PT in both print electronic format  (including Schedule A of the Municipal Budget & Reporting Regulations; Tables A1 to A10; Supporting Tables SA1 to SA37)	13 April 2012
Public Hearings & Consultations on the Draft MTREF	01 April 2012 to 26 April 2012
Portfolio Workshops on the Draft MTREF	April 2012
Approval of the Final MTREF; IDP & SDBIP	30 May 2012
Submission of Approved MTREF to NT / PT/ COGTA  (Council places the Approved MTREF on the website)	14 July 2012

These are the key deadlines, as originally approved by the Mayor, taking into account advice received from NT.



## ANNEXURE F

# ANNUAL BUDGET ALIGNMENT WITH THE IDP

## **OVERVIEW OF THE ALIGNMENT OF THE ANNUAL BUDGET WITH THE IDP**

The KDM's IDP has been updated. The reconciliation of the draft MTREF to the revised IDP is depicted numerically in the Supporting Tables SA4; SA5 and SA6 attached to the budget tables.

The Draft MTREF 2012/2013 – 2014/2015 is aligned with KDM's revised IDP. The IDP covers KDM's programme for the next 5 years, and therefore encompasses KDM's 2030 vision.

### **KDM's 2030 Vision**

- To promote democratic and accountable local government
- To ensure the provision of services to communities in a sustainable manner
- To promote social and economic development
- To promote a safe and healthy environment
- To encourage the involvement of communities and community organizations in the matters of local government
- To address infrastructure backlogs and attracting domestic and foreign investments to build a vibrant and sustainable economy.
- To entrench KwaDukuza's position as a global economic player in local economic development.

### **KEY AMENDMENTS TO THE IDP**

**The key amendments to the IDP are as a result of:**

1. KDM's situational analysis, which suggests that KwaDukuza has a high percentage of young people and, therefore, development should be youth-based
2. The high level of HIV/AIDS prevalent, which suggests that there should be more focus on HIV/AIDS awareness and education campaigns and, also, that KDM should encourage fitness and wellness programmes in each Ward
3. The issue of the ageing infrastructure, which suggests that KDM must begin to prioritize for the upgrading and maintenance of the infrastructure
4. The issue of high levels of poverty and unemployment, which suggests that KDM should put more resources on economic development and poverty alleviation programmes
5. The low levels of skills by facilitating the issue of building of the FET College by providing land for this purpose
6. The need to build houses for the middle income group within KwaDukuza
7. Actively promoting and attracting domestic and foreign investment by use of incentives
8. High levels of Unemployment

## **IDP CONCERNS**

- Creation of economic growth and jobs
- Promotion of nodal development
- Upgrading the ageing infrastructure
- Closing the gap between the two economies that characterise KDM
- Sound financial management
- Eradication of backlogs especially, provision of water (which is the function of the District Municipality) and electricity to all households, addressing the low and middle income housing backlogs
- Mainstreaming of youth development into KwaDukuza Development Agenda
- Addressing issues related to gender and people living with disabilities; and
- Dealing head on with issues of HIV/AIDS and environmental degradation

## **STRATEGIC FOCUS AREAS**

1. Provide all citizens with an electricity service connection
2. Provide an acceptable level of lighting to all major roads, public open spaces and sport fields
3. Upgrade the medium voltage network and substations to allow for natural expansion of demand and new developments
4. Upgrade the low voltage network to allow for natural expansion
5. Ensure that the citizens get value for money
6. Maintain and upgrade the existing roads infrastructure in all areas
7. Maintain and upgrade the existing storm water infrastructure in all areas
8. Ensure that municipal buildings are properly maintained
9. Ensure that the administration of civil engineering services remains up to date
10. Ensure that fleet management services are reliable and economical
11. Ensure that vehicles are available for service delivery
12. Ensure that obsolete vehicles are replaced timeously
13. Ensure equal access to service
14. Economic Development and Financial Sustainability

## **KDM's DEVELOPMENT AGENDA**

The Draft MTREF incorporates the key programmes that form part of KDM's Development Agenda:

- Integrating the city
- Improving housing and infrastructure to build habitable and safe urban communities
- Promoting urban economic development
- Creating institutions for delivery



**KWADUKUZA**  
M U N I C I P A L I T Y



ANNEXURE G

MEASURABLE PERFORMANCE  
OBJECTIVES & INDICATORS



## MEASURABLE PERFORMANCE OBJECTIVES & INDICATORS

KZN292 KwaDukuza - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b><u>Borrowing Management</u></b>											
Credit Rating		A3za	A3za	A3za	A3za	A3za	A3za	A3za			
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	4.3%	6.4%	8.7%	5.3%	2.1%	2.1%	2.1%	1.6%	4.1%	4.8%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	3.5%	6.8%	8.9%	6.0%	2.3%	2.3%	2.3%	1.8%	4.5%	5.3%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	18.5%	24.5%	9.0%	81.7%	58.1%	58.1%	58.1%	0.0%	0.0%	0.0%
<b><u>Safety of Capital</u></b>											
Gearing	Long Term Borrowing/ Funds & Reserves	949.5%	574.4%	529.0%	3325.7%	1359.0%	1359.0%	1359.0%	0.0%	0.0%	0.0%
<b><u>Liquidity</u></b>											
Current Ratio	Current assets/current liabilities	2.3	1.9	2.2	1.3	1.4	1.4	1.4	–	–	–
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	2.3	1.9	2.2	1.3	1.4	1.4	1.4	–	–	–
Liquidity Ratio	Monetary Assets/Current Liabilities	1.3	1.4	1.8	0.7	0.8	0.8	0.8	–	–	–
<b><u>Revenue Management</u></b>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		79.5%	84.5%	96.5%	99.0%	99.0%	99.0%	99.0%	0.0%	0.0%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)			79.8%	84.2%	96.4%	99.0%	99.0%	99.0%	99.0%	0.0%	0.0%

Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	22.1%	13.3%	8.9%	10.9%	10.6%	10.6%	10.6%	0.0%	0.0%	0.0%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	21.6%	22.1%	13.3%	14.1%	14.7%	14.7%	14.7%	10.9%	11.7%	7.2%
<b><u>Creditors Management</u></b>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA' s 65(e))	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Creditors to Cash and Investments		47.1%	32.7%	37.1%	55.6%	56.2%	44.2%	56.2%	0.0%	0.0%	0.0%
<b><u>Other Indicators</u></b>											
Electricity Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated	4.8%	12.6%								
Employee costs	Employee costs/(Total Revenue - capital revenue)	20.5%	21.4%	21.6%	22.8%	22.1%	22.1%	22.1%	22.8%	22.7%	22.6%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	22.2%	23.0%	23.1%	24.6%	23.9%	23.9%		24.6%	24.3%	24.3%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	7.5%	7.2%	6.7%	6.7%	7.8%	7.8%		7.1%	7.1%	7.1%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	8.2%	7.0%	6.9%	7.9%	5.9%	5.9%	5.9%	6.8%	9.3%	9.9%
<b><u>IDP regulation financial viability indicators</u></b>											
-											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	13.3	8.8	16.8	29.2	29.2	29.2	-	-	-	-
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	31.5%	17.0%	10.8%	13.0%	12.6%	12.6%	12.6%	0.0%	0.0%	0.0%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	6.6	8.0	8.1	3.6	3.6	4.5	3.6	-	-	-

KwaDukuza Municipality ensures full compliance with GRAP principles. The above ratios illustrate that KwaDukuza Municipality has an outstanding credit rating, and also continues to have a favourable financial status.

## **REVENUE**

- |                      |   |  |
|----------------------|---|--|
| • General Rates      | : | Achieve a payment ratio that is in excess of 90% |
| • Refuse Removal     | : | Achieve a payment ratio that is in excess of 75% |
| • Electricity Supply | : | Achieve a payment ratio that is in excess of 90% |

## **FREE BASIC SERVICES**

Indigent households receive a certain number of free KWH of electricity each month. Refuse for these low income areas are raised and credited from equitable share. Rates on properties below a certain value receive a 100% rebate.

## **INDIGENT POLICY**

The criterion for benefits under this scheme is part of the credit control policy. An indigent is kept up to date in a form of a monthly register and a separate indigent policy has been developed in line with this.

The survey forms to qualify for the indigent support must be completed annually. The Municipality may annually as part of its budgetary process, determine the municipal services and levels thereof which will be subsidized in respect of indigent customers in accordance with the national policy but subject to principles of sustainability and affordability.

An indigent customer shall automatically be deregistered if an audit or verification concludes that the financial circumstances of the indigent customer have changed to the extent that he/she no longer meets the qualifications. The indigent customer may at any time request de-registration.



## **PROVIDING FOR THE INDIGENTS**

The Council of KDM has an indigent support database that is updated every year. The aim of the database is to ensure that the indigent people are provided, inter alia, with free basic electricity.

KDM ensures that the budget is balanced – revenue is greater than the expenditure – and services provided are affordable, whilst providing for the indigent customers.



ANNEXURE I

OVERVIEW OF BUDGET  
ASSUMPTIONS

## **OVERVIEW OF THE BUDGET ASSUMPTIONS**

In the compilation of the Draft MTREF, the following influencing factors were taken into account:

- Normal inflationary increases and economic pressures, especially
  - Higher fuel prices
  - Higher unemployment rate
  - Global Recession

Your attention is drawn to the section “Significant Uncertainties”, as contained in the Council item, in which fuel prices are stated as an uncertainty.

- Zero-based and incremental budgeting for 2012/2013
  - Zero-based budgeting is defined as a process where every department function is reviewed comprehensively and each expenditures must be approved, rather than increased
  - It requires the budget request to be justified in complete detail by each department rather than just increasing its expenditure from the previous year
- Property rates increase of
  - 8% in 2013/2014
  - 3% in 2014/2015
- Effect of ring-fencing of the Electricity Services
- Electricity tariffs for Revenue are based on submissions lodged with NERSA and the municipality is still awaiting approval of the tariff structure. Overall, the Council proposes a range of increases between 11,5% - 22% in the Electricity tariffs.
- The municipality will not be implementing the inclining block tariff structure.
  - Bulk purchases for electricity has increased by 15% in 2012/2013 due to Eskom’s tariff increase
- Supply and distribution of electricity will continue under the municipal licence over duration of the MTREF
- Refuse removal tariff increases as follows
  - 10% in 2012/2013
  - 7% in 2013/2014
  - 6% in 2014/2015

- Provision for a 7,5% increase for all staff remuneration costs, including MSA Section 57 employees
- Partnership programmes with the National and Provincial Government
- Primary Health Care function remains within the Council of KDM over the MTREF
  - It must be mentioned, however, that the provincial allocation made in terms of the Health Subsidy for 2012/13 is a mere R1 250 000 whilst expenditure for Clinics amount to R 11 004 817. This represents a 11,36% cost recovery.
- Major revisions to the current organogram cannot be implemented due to severe budgetary constraints.
- There will be no changes made to the present powers and functions of the KDM during the budget year.
- The average long-term cost of borrowings is 11,78%
- The municipality is able to maintain its current high debt collection rates.

### **Significant External Factors**

- There is a slow recovery from the recession
- Increasing fuel prices, with high Brent crude oil prices
- Strong commodity demand and general investor reallocation
- The repo-rate has stabilised and has probably bottomed out.
- Currency fluctuations
- Household consumption is Electricity for the duration of the MTREF
- GDP estimates for the duration of the MTREF

### **Basis and Methodology for Forecasting Budget Projections**

In terms of Chapter 4, Section 16, of the MFMA, the operational and capital budgets for the 2012/2013 financial year, and the two subsequent years, attached hereto have been prepared according to the Municipal Budget and Reporting Regulations as gazetted in Government Gazette No. 32141 published on 17 April 2009.

### **Alignment with GRAP**

The MTREF is in line with the requirements of the GRAP standards.



## ANNEXURE J

### FUNDING OF THE BUDGET

## **OVERVIEW OF BUDGET FUNDING**

### **TOTAL EXPENDITURE**

KDM's overall expenditure during the MTREF is estimated at:

	<b>2012/2013</b>	<b>2011/2012</b>	<b>% Increase</b>
Operating Expenditure	R 922 808 609	R 813 163 862	13.48%
Capital Expenditure	R 404 684 760	R 390 852 537	3.54%
	<b>R1 327 493 369</b>	<b>R1 204 016 399</b>	<b>10.36%</b>

This reflects a growth rate of 10,36 % over the MTREF.

### **FUNDING SOURCES**

The funding model of the Draft Annual Budget 2012/2013 is dependent on the following:

- The anticipated amount of revenue from Property Rates in the budget year being **R 233 999 473** (excluding Penalties & Collection Charges)
- The anticipated amount of revenue from Service Charges in the budget year being **R 530 419 271**. Service Charges consists of revenue streams from Electricity and Refuse Removal.
- The expected increase in Total Expenditure over the MTREF as follows:

	<b>2012/2013</b>	<b>2013/2014</b>	<b>2014/2015</b>
% Increase	13 %	7%	6%

### **TARIFF OF CHARGES**

KDM has created a Tariff of Charges document which will be implemented on 01 July 2012. This document provides for major services, and lists minor and miscellaneous tariffs – including the hiring of municipal facilities and town planning. Please refer to the related Annexure.



## **INVESTMENTS**

KDM has funds held in bank deposits, including the depositing of grant funding into ring fenced call deposit accounts in order to improve management of grant funding.

The cash and investments of KDM currently amount to **R 297 577 575**. It should be noted that these funds are committed as they have been received as conditional grants or operating funds. These funds also consist of monies set aside to settle long-term debt. If KDM does not meet its long-term debt requirements as and when they fall due, it will be liable for severe penalties.

## **DEBTORS AGE ANALYSIS**

The Debtor's Age Analysis as at 28 February 2012:

	30 Days	60 Days	90 Days	120 Days	> 120 Days	Tot Amt Outstanding
<b>Housing</b>	R 80 906	R 40 886	R 36 531	R 14 565 692	Nil	R 14 724 004
<b>Electricity</b>	R 13 174 449	R 2 994 172	R 1 372 563	R 1 255 789	R 3 000 087	R 21 797 060
<b>Rates</b>	R 8 444 778	R 4 409 890	R 3 505 931	R 2 672 221	R 45 589 772	R 64 622 592
<b>Refuse</b>	R 992 560	R 484 100	R 379 009	R 306 083	R 5 281 111	R 7 442 004
<b>Other</b>	R 2 101 730	R 1 722 087	R 448 463	R 3 542 336	R 18 495 692	R 26 310 308
	<b>R 24 794 423</b>	<b>R 9 651 135</b>	<b>R 5 742 497</b>	<b>R 22 342 110</b>	<b>R 72 366 662</b>	<b>R134 896 827</b>

## **EXTERNAL LOANS**

KDM's current borrowings amount to R 96 million. The long-term loans currently entered into are being used to fund capital expenditure. KDM's anticipated borrowings over the MTREF are as follows:

<b>2012/2013</b>	R 175 million
<b>2013/2014</b>	R 27,6million
<b>2014/2015</b>	R 68 ,6 million

For more detail regarding KDM's position regarding its long-term liabilities, refer to Supporting Table SA17.

## **GOVERNMENT GRANT ALLOCATIONS**

In terms of MFMA Circular 51, all unspent grants are expected to be returned to the National Revenue Fund.

The DORB allocations that will be granted to KDM consist of (National transfers) :

<b>CONDITIONAL</b>	<b>2012/2013</b>	<b>2013/2014</b>	<b>2014/2015</b>
<b>Specific Purpose</b>			
Finance Management Grant	R 1 500 000	R 1 750 000	R 1 750 000
Municipal Systems Improv. Grant	R 800 000	R 900 000	R 950 000
EPWP Incentive	R 1 000 000	Nil	Nil
<b>Infrastructure</b>			
1. MIG	R 15 149 000	R 37 078 000	R 39 222 000
2. NDPG (Capital)	R 20 000 000	R 6 000 000	R 7 062 000
3. Electricity Demand Side Mngt.	R 8 000 000	Nil	Nil
<b>UNCONDITIONAL</b>	<b>2012/2013</b>	<b>2013/2014</b>	<b>2014/2015</b>
1. Equitable Share	R 72 649 000	R 77 913 000	R 83 848 000

It must be noted, however, that all of the above allocations, excluding Equitable Share, are conditional grants. This means that they have been allocated to KDM for a specific purpose and may not be used to fund any other expenditure. Once all conditions are met, these allocations are transferred to the Statement of Financial Performance in order to match the expenditure taking place. This is in compliance with the relevant GRAP standards. The transfers indicated on the Statement of Financial Performance are, therefore, accounting entries and do not actually represent cash on hand.

In terms of the Kwa-Zulu Natal Provincial Gazette, the following will be allocated to KDM:

<b>PROVINCIAL TRANSFERS</b>	<b>2012/2013</b>	<b>2013/2014</b>	<b>2014/2015</b>
1. Library Subsidy	R 1 281 000	R 2 690 000	R 2 838 000
2. Museum	R 134 000	R 143 000	R 151 000
3. Thusong Service Centre	Nil	R 500 000	R 500 000
4. Community Library Services	R 106 000	R 111 000	R 116 000
4. Sport & Recreation	R 150 000	Nil	Nil
5. CRU Programme	R 29 825 000	R 30 000 000	R 30 000 000
6. Rehab. of KwaDukuza Museum	R 4 500 000	Nil	Nil
7. P 445 Grant	R 16 000 000	Nil	Nil



- **NDPG**

The primary focus of the conditional grant, NDPG, is to stimulate and accelerate investment in poor, underserved residential neighbourhoods by providing technical assistance and a capital grant financing for municipal projects that have either a distinct private sector element or an intention to achieve this.

One of the key objectives of the NDPG programme is to fund public infrastructure, places and facilities that will attract private and community sector investment and enable better access to government services, within the context of an overarching township regeneration strategy.

Examples of such projects include:

- Nodal and/or precinct projects
- Linkage projects (internal and/or external)
- Environmental Improvement projects

The key focus is not necessarily on the facilities themselves, but on how the investment contributes to the economic and social development prospects of a neighbourhood. The capital portion can be directed, for example to:

- Public transport interchanges and linkages
- Libraries as hubs of information, education and e-government
- Tourism precincts
- Heritage, cultural, social, and traditional amenities and/or precincts
- Sports precincts (providing it can be demonstrated to fulfil a critical community and economic role in the township)
- Educational precincts
- Revitalisation of existing nodes/centres/precincts/high streets/economic activity centres
- MPCCs, including town halls and youth centres
- Informal trading facilities
- Any element that may be required in order to secure private sector investment, providing it can form part of the project, and can be demonstrated to be instrumental in securing that investment into the project area

**KWADUKUZA**  
**M U N I C I P A L I T Y**



ANNEXURE K

EXPENDITURE ON ALLOCATIONS &  
GRANT PROGRAMMES

## **EXPENDITURE ON ALLOCATIONS & GRANTS**

Grant funding and expenditure is covered in detail in Supporting Tables SA18, SA19 and SA20.

<b>RECEIPTS</b>	<b>2012/2013</b>	<b>2013/2014</b>	<b>2014/2015</b>
<b>OPERATING</b>			
<i>National</i>			
1. Equitable Share	R 72 649 000	R 77 913 000	R 83 848 000
2. FMG	R 1 500 000	R 1 750 000	R 1 750 000
3. MSIG	R 800 000	R 900 000	R 950 000
4. MIG – Transfer to Ilember Mun.	R 20 000 000		
5. EPWP Incentive	R 1 000 000	Nil	Nil
<i>Provincial</i>			
1. Library Subsidy	R 1 281 000	R 2 690 000	R 2 838 000
2. Museum	R 134 000	R 143 000	R 151 000
3. Thusong Service Centre	Nil	R 500 000	R 500 000
4. Community Library Services	R 106 000	R 111 000	R 116 000
<b>CAPITAL</b>			
<i>National</i>			
1. MIG	R 15 149 000	R 37 078 000	R 39 222 000
2. NDPG (Capital)	R 20 000 000	R 6 000 000	R 7 062 000
3. Electricity Demand Side Mngt.	R 8 000 000	Nil	Nil
<i>Provincial</i>			
4. Sport & Recreation	R 150 000	Nil	Nil
5. CRU Programme	R 29 825 000	R 30 000 000	R 30 000 000
6. Rehab. of KwaDukuza Museum	R 4 500 000	Nil	Nil
7. P 445 Grant	R 16 000 000	Nil	Nil
	<b>R 191 094 000</b>	<b>R 157 085 000</b>	<b>R 166 437 000</b>



EXPENDITURE	2012/2013	2013/2014	2014/2015
<b>OPERATING</b>			
<i>National</i>			
1. Equitable Share	R 72 649 000	R 77 913 000	R 83 848 000
2. FMG	R 1 500 000	R 1 750 000	R 1 750 000
3. MSIG	R 800 000	R 900 000	R 950 000
4. MIG – Transfer to Ilember Mun.	R 20 000 000		
5. EPWP Incentive	R 1 000 000	Nil	Nil
<i>Provincial</i>			
5. Library Subsidy	R 1 281 000	R 2 690 000	R 2 838 000
6. Museum	R 134 000	R 143 000	R 151 000
7. Thusong Service Centre	Nil	R 500 000	R 500 000
8. Community Library Services	R 106 000	R 111 000	R 116 000
<b>CAPITAL</b>			
<i>National</i>			
1. MIG	R 15 149 000	R 37 078 000	R 39 222 000
2. NDPG (Capital)	R 20 000 000	R 6 000 000	R 7 062 000
3. Electricity Demand Side Mngt.	R 8 000 000	Nil	Nil
<i>Provincial</i>			
4. Sport & Recreation	R 150 000	Nil	Nil
5. CRU Programme	R 29 825 000	R 30 000 000	R 30 000 000
6. Rehab. of KwaDukuza Museum	R 4 500 000	Nil	Nil
7. P 445 Grant	R 16 000 000	Nil	Nil
	<b>R 191 094 000</b>	<b>R 157 085 000</b>	<b>R 166 437 000</b>

### **SPECIFIC GRANT FUNDED PROJECTS OVER THE MTREF**

The planned expenditure on capital projects over the Draft MTREF is as follows:

DEPARTMENT	2012/2013	2013/2014	2014/2015
<i>EDP</i>			
Rehab. KwaDukuza Museum	R 4 500 000	Nil	Nil
Sport & Recreation	R 150 000	Nil	Nil
CRU Programme	R 29 825 000	R 30 000 000	R 30 000 000
<i>Municipal Manager</i>			
NDPG	R 20 000 000	R 6 000 000	R 7 062 000
<i>Civil Engineering</i>			
Road P445	R 16 000 000	Nil	Nil
MIG Sports Fields	R 1 790 730	Nil	Nil
Community Halls	R 2 352 000	Nil	Nil
MIG Project Roads	R 11 006 270	R 37 078 000	R 39 222 000
<i>Electrical Services</i>			
Elect. Demand Side Mngt.	R 8 000 000	Nil	Nil



ANNEXURE L

COUNCILOR, BOARD MEMBER  
ALLOWANCES & EMPLOYEE  
BENEFITS

## **COUNCILLOR ALLOWANCES & EMPLOYEE BENEFITS**

### **Councillor Allowances**

KDM currently has 53 Councillors. Their estimated allowances for the period of the Draft MTREF:

	<b>2012/2013</b>	<b>2013/2014</b>	<b>2014/2015</b>
Allowances	R 4 542 000	R 4 815 000	R 5 103 000

### **Employee Benefits**

- **Section 57 Employees**

The employees classified as Section 57 Employees, in terms of the MSA, consist of the MM; the CFO and the Executive Directors.

	<b>2012/2013</b>	<b>2013/2014</b>	<b>2014/2015</b>
Pension	R 919 099	R 965 054	R 1 013 307
Medical Aid	R 102 122	R 107 228	R 112 589
Motor Vehicle	R 413 842	R 434 534	R 456 260
Cell-phone	R 275 894	R 289 689	R 304 173

- **Other Employees**

	<b>2012/2013</b>	<b>2013/2014</b>	<b>2014/2015</b>
Pension	R 25 638 567	R 27 321 653	R 28 970 602
Medical Aid	R 10 750 996	R 11 462 487	R 12 154 644
Motor Vehicle	R 9 279 733	R 10 036 180	R 10 642 697
Cell-phone	R 313 467	R 344 018	R 367 557
Housing	R 770 158	R 855 260	R 906 576
Other	R 6 463 013	R 6 849 443	R 7 260 410



### Employee Costs to KDM in the Budget Year 2012/2013

<i>Political Office-bearers</i>	<b>Salary</b>	<b>Allowances</b>	<b>Contributions</b>
Speaker	R 409 795	R 156 852	Nil
Mayor	R 512 245	R 191 002	Nil
Deputy Mayor	R 409 795	R 156 852	Nil

<b>Total Councillors</b>	R 11 320 607	Nil	R 4 542 009
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<i>Section 57 Employees</i>	<b>Salary</b>	<b>Allowances</b>	<b>Contributions</b>
MM	R1041 417	R 114 810	R 259 739
CFO	R 792 950	R 42 805	R 265 968
Exec Dir: Corp. Gov	R 770 443	R 203 669	R 184 165
Exec Dir: Corp Serv	R 770 443	R 114 000	R 38 130
Exec Dir: EDP	R 853 580	R 50 310	R 219 706
Exec Dir: Mun Serv	R 775 342	R 113 832	R 33 491
Exec Dir: Tech Serv	R 853 580	R 50 310	R 20 020

<b>Total Staff Remuneration Costs</b>	R 210 859 739
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The total number of people currently employed by KDM is **1032**, excluding Councillors. The total number of Section 57 employees at KDM is currently **7** individuals, consisting of:

- The MM
- The CFO
- The Executive Director of Corporate Governance
- The Executive Director of Corporate Services
- The Executive Director of EDP
- The Executive Director of Municipal Services
- The Executive Director of Technical Services

KDM's total salary costs over the MTREF and personnel numbers are covered in detail in Schedules SA22, SA23 and SA24.

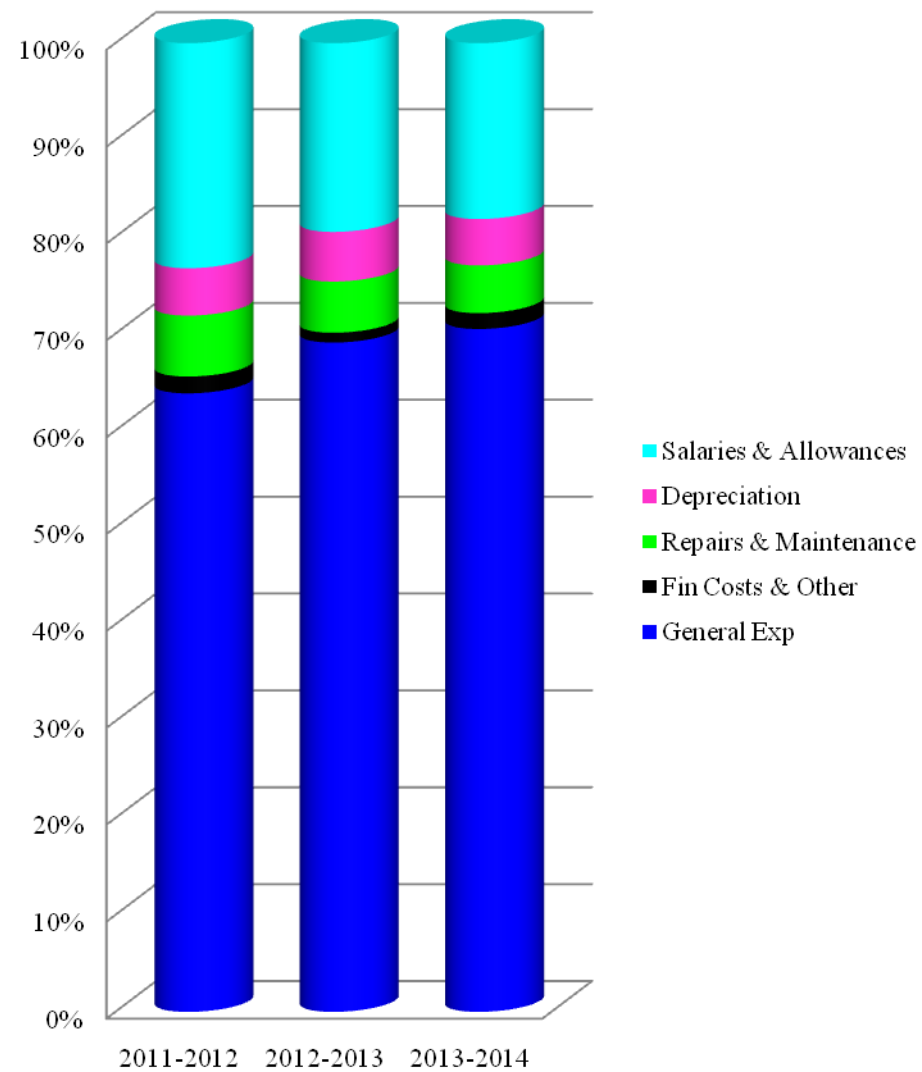


ANNEXURE M

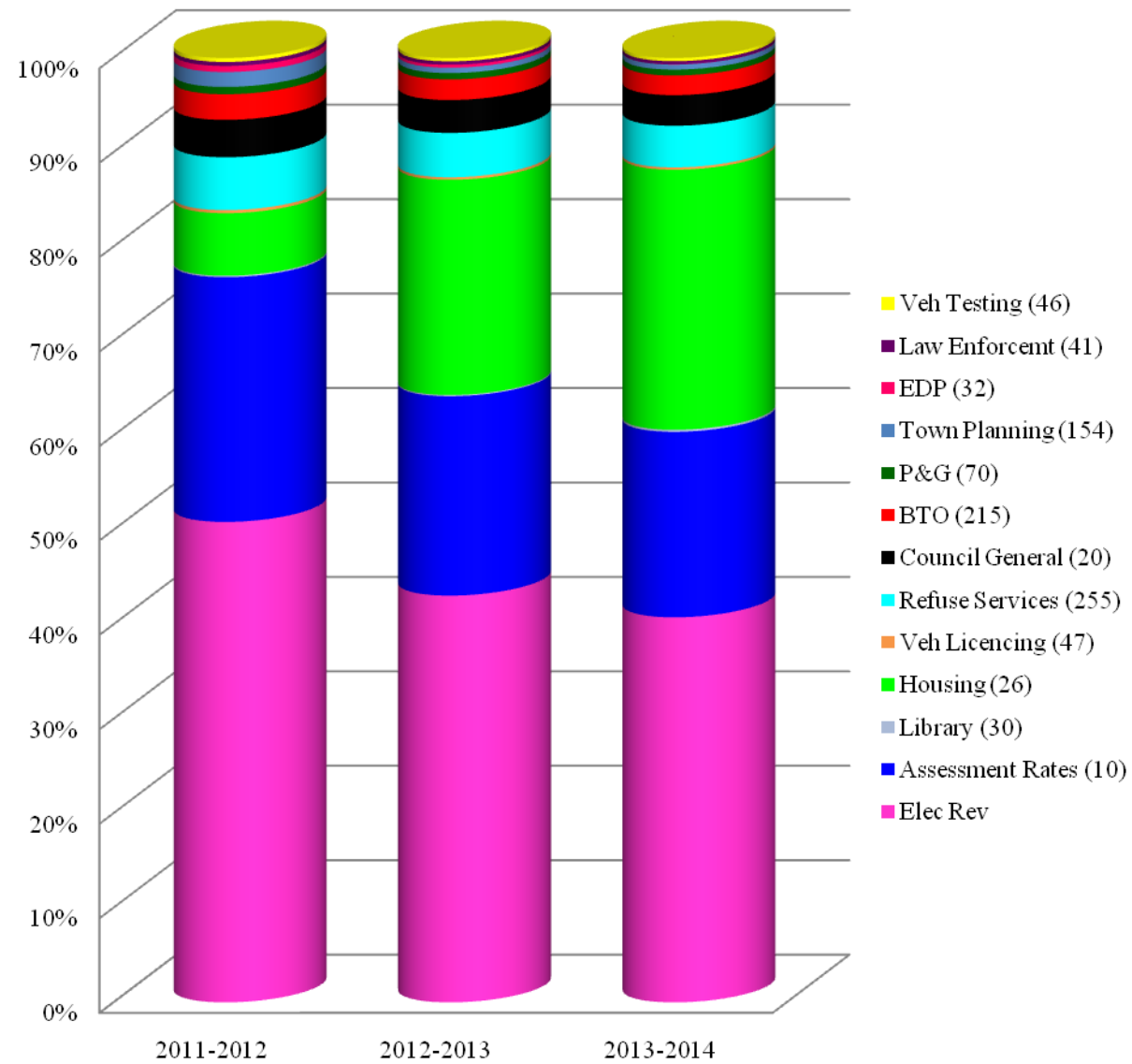
CONSOLIDATED TARGETS



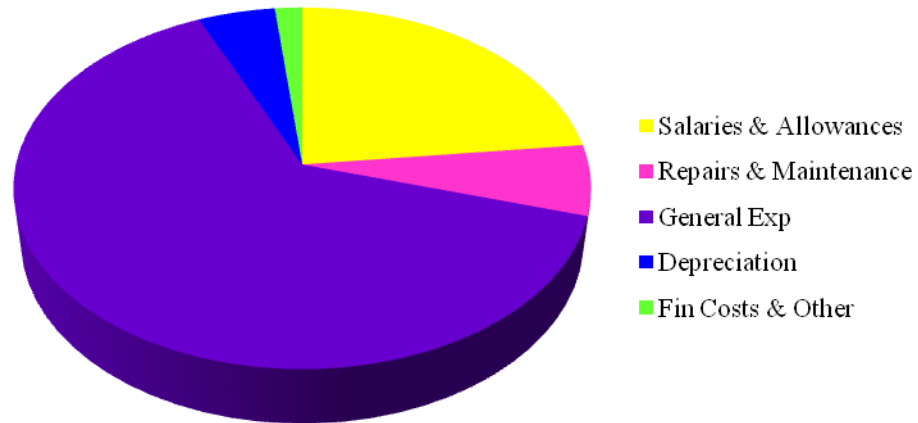
## MTREF Expenditure Breakdown



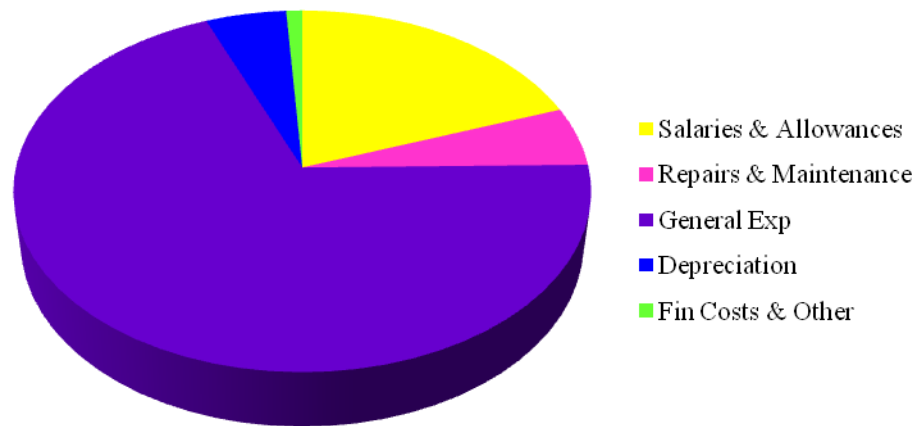
## MTREF Revenue Breakdown



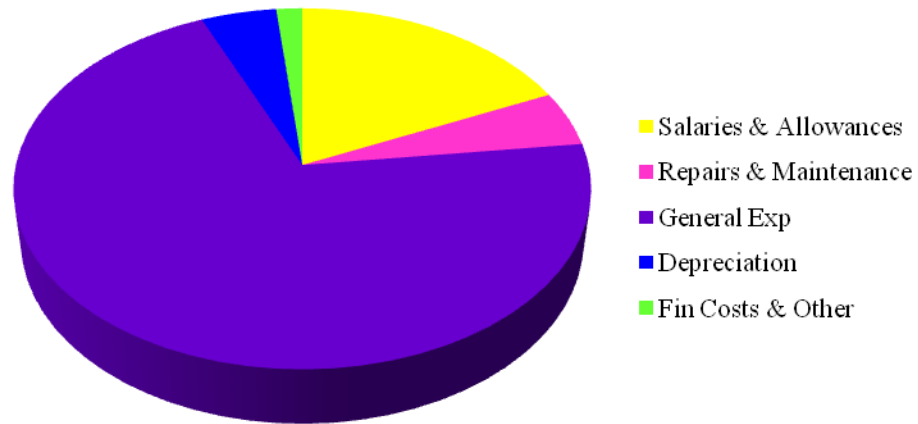
### Total Expenditure - 2011/2012



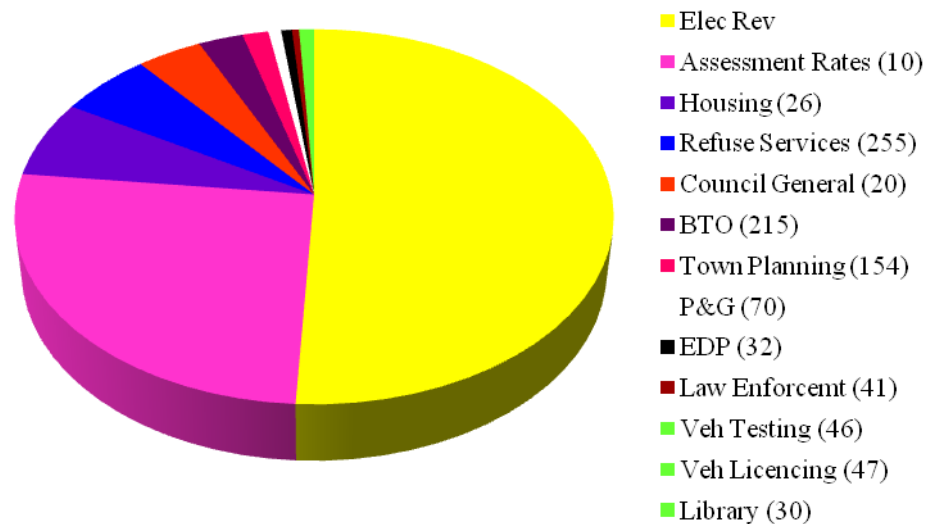
### Total Expenditure - 2012/2013



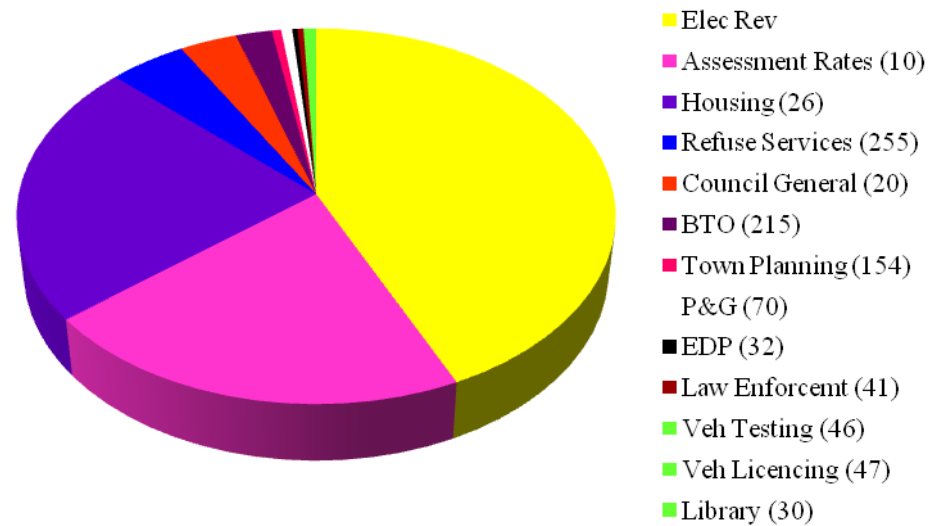
## Total Expenditure - 2013/2014



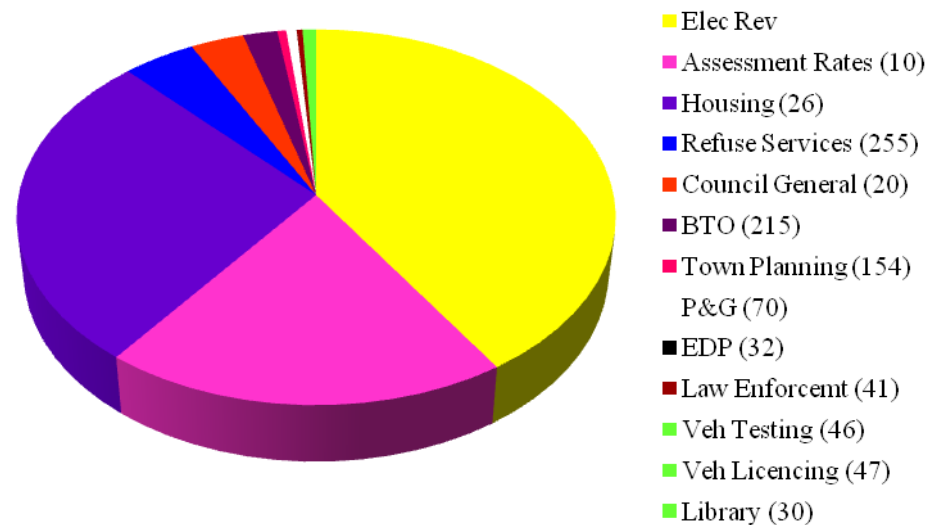
## Major Revenue Sources - 2011/2012



## Major Revenue Sources - 2012/2013



## Major Revenue Sources - 2013/2014





ANNEXURE N

INTERNAL DEPARTMENTS –  
ANNUAL BUDGETS & SDBIPS

(Detailed Operating Budget &  
Departments' SDBIPs attached)



ANNEXURE O

CONTRACTS HAVING FUTURE  
BUDGETARY IMPLICATIONS



## **CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS**

The following contract imposes financial obligations on KDM beyond the duration of the MTREF:

- **DOLPHIN COAST WASTE MANAGEMENT**

R

Operating Expenditure for the preceding years	84 061 000
Estimated Expenditure for the current year	21 199 000
Planned Expenditure for the budget year	23 318 000
Planned Expenditure for the outer years	53 865 000

This organisation is contracted for the period of the MTREF for refuse removal services. Dolphin Coast Waste Management tends to waste removal within KDM's jurisdiction, such as:

- White Goods (usual household appliances)
- Domestic Waste (general household waste produced on residential premises)
- Commercial Waste (excludes special refuse)
- Industrial Waste (light, medium and heavy industry)
- Garden Refuse (grass cuttings; hedge trimmings; etc)

The service delivery agreement with Dolphin Coast Waste Management is currently under monthly review and has no pre-determined expiry date.